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CONTENTS

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• In the Record •

Bonus and Incentive Plans for Supervisors

Supervisors are often referred to as key men in a company, because in most cases they directly affect production, and therefore profits. This is no doubt one of the reasons why so much interest centers on incentive pay plans for supervisors.

In the story starting on the next page, a broad picture is drawn of what is generally called "extra compensation" for supervisors. Based on the pay plans of 162 companies, the various forms that extra compensation takes are carefully examined.

These pay plans fall into two general groupings. One includes bonuses and profit-sharing plans, neither of which directly correlates extra pay with job performance. The second group (and it is this type of extra compensation the article concentrates on) includes formal incentive pay plans that base compensation on some predetermined standard or on an individual's measured performance.

The respective advantages of these two types of plans, how individual plans are set up, and the benefits that companies believe they derive from them are some of the points covered in "Bonus and Incentive Plans for Supervisors."

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College Recruitment in 1956

It is probably not news to most companies that college graduates are at a premium. For the past ten years there has been a chronic shortage of graduates for industry. And this situation is likely to continue for some time.

The competition for graduates specializing in engineering, chemistry and physics is especially intense. While quotas for all graduates are 30% above last year's, the demand for these specialists is up 47%.

Starting salaries are also rising. Engineers—the highest-paid beginners—will receive an average of $394 as their starting wage this year. But the article on page 6 points out that the starting salary may not be the determining factor in whether an employee will stay with the company once he is recruited. The possibilities of advancement and a thorough, active training program may prove more important.

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AFL-CIO Merger—What's Behind It?

Everybody knows that the CIO and the AFL are no longer separate entities; that today we have one big new labor federation in this country—the AFL-CIO.

But what will this mean? How will it affect employers who formerly had contracts with the AFL or the CIO? How will it affect unorganized concerns? Is labor really stronger because of the merger? And what about industrial unionism as exemplified by the old CIO? Will it slowly wither on the vine because former AFL officials dominate the leadership of the new federation?

Of course, nobody knows exactly what lies ahead, but a careful examination of the present is often a key to the future. And just such a careful examination of the new federation can be found starting on page 11. Here a graphic picture is drawn of what took place at the AFL-CIO convention. The reader will learn how the new federation operates, who's who on its three executive bodies and how the Industrial Union Department (IUD) is set up.

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The Control of Meetings

Too many executives have come to think that meetings are a waste of time. But this may be because so many meetings are poorly planned and organized.

The article starting on page 8 points out that meetings fall into three categories—informational, instructional, or problem solving, although a specific meeting may be a combination of these. Each of these types calls for its own procedure in conducting the meeting. For instance, if the purpose of the meeting is primarily to give information, then a lecture is the preferred method, despite the tendency today to avoid lectures as a poor teaching technique. Therefore it is important that the organizer decide beforehand just what the purpose of the meeting is, and then plan it accordingly.

A careful reading of "The Control of Meetings" should enable anyone responsible for a meeting to avoid the "waste of time" label that is so often rightfully applied.

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Position of Wage Earner Continues To Improve

The wage earner's position was further enhanced in November as consumer prices held steady while further gains in wage adjustments were chalked up. The story on the Board's consumer price index was again one of stability—with the consumer dollar worth pretty close to par (1953 dollar = 100 cents).

Wage settlements announced in the press and confirmed by The Conference Board indicated that the nickel an hour increase is giving way to a higher figure. Adjustments tabulated and confirmed this past month averaged close to a dime an hour, with the usual accompanying fringe items.

The articles on consumer prices and wage adjustments begin on pages 27 and 32.

Bonus and Incentive Plans for Supervisors

Some companies give their supervisors a Christmas or a year-end bonus. But others believe that a formal incentive pay plan for supervisors, based on performance, is more valuable to the company and to the individual

THE PATTERN OF PAY for exempt first-line supervisors may include almost any or every form of compensation. Strategically located between the rank-and-file employees and the management-executive group, first-line supervisors are likely to be found participating in compensation plans designed for either or both of the two groups.

If companies provide shift differentials, overtime premium pay, or other "fringes" for nonexempt workers, the supervisor may also participate in these benefits.[1] If, on the other hand, the company has incentive bonus, profit-sharing, or even stock-purchase plans for executives, it is becoming increasingly probable that the supervisor may again participate to some extent—either because he is recognized as a member of the management-executive group or because such plans are open to all salaried personnel.

In any case, the pay pattern for first-line supervisors is becoming increasingly complicated as more companies introduce bonuses and incentive pay plans into their compensation programs.

Of the 334 companies recently surveyed by THE CONFERENCE BOARD, 162 or almost half say they have one or more forms of bonus or incentive pay for their supervisors. These extra-compensation plans include comparatively informal Christmas or year-end bonuses, formal profit-sharing plans, and incentive-pay plans which are based on efforts to gauge the supervisor's individual job performance and reward him accordingly.

On the other hand, 172 companies say they have no such bonus plans. The general attitude of this group may possibly be summed up in the words of one spokesman who, even though his company does pay a year-end bonus to its supervisors, says, "We believe that the careful administration of base salary can include all considerations of merit, incentive, performance, service, etc." However, the 162 companies that do have incentive pay plans or other bonus plans for supervisors are not inclined to underestimate their value in achieving several ends desirable to the company.

[1] "Premium Pay for Exempt Supervisors," *Management Record*, Dec., 1955, p. 470.

Companies pay their exempt supervisors shift differentials and premium pay for overtime or for work done on weekends or holidays primarily to help maintain the base salary differential between the supervisors and those people who work under them. This aim is also a strong factor behind supervisory incentive plans when the nonexempt employees are on incentive; and it may also be one of the motives behind year-end bonuses and profit-sharing plans for supervisors.

In order to maintain this base differential, it is not essential that bonuses or incentive plans exist exclusively for the supervisor. What is important is to have the supervisor included *when such plans exist for the rank-and-file employees,* or to have him covered by a similar plan. This is sufficient to keep the differential constant. And since many such plans are based on considerations of salary and length of service, the supervisor is generally assured of benefiting to a greater extent than the group under him.

Supervisory participation in bonuses and incentive plans—particularly those tied in with the company's profit structure—may have additional advantages for the company besides over-all equity of compensation. Companies having such plans feel they help to keep their supervisors and other valuable management personnel. These companies also report that such plans encourage the supervisor to identify himself with the management group. And since he more directly benefits from the company's welfare, they say this makes him more enthusiastic in directing his own efforts and those of his people toward bettering the company's production and profits.

Two general types of supervisory bonuses will be considered here. The first is Christmas or year-end bonuses, which have little or no connection with individual performance. Profit-sharing plans will also be considered in this group. The second group is incentive pay plans which relate compensation to individual performance or production standards.

I. CHRISTMAS AND YEAR-END BONUSES

Ninety of the 334 companies in the survey give their supervisors a Christmas or year-end bonus. The fact

that Christmas and year-end bonuses are given at about the same time may make it difficult to distinguish between the two. Some companies seem to apply the two terms arbitrarily, according to their own individual definition. So one finds "one-half month's salary" or "10% of annual salary" identified in some cases as a Christmas bonus and in others as a year-end bonus. Companies may even shy away from the word "bonus" as applied to this form of compensation. One company whose Christmas bonus to supervisors extends from a minimum of $24 to as much as $250 refers to it as a "remembrance," while another calls the $100 it gives its supervisors at Christmas a "token award."

Nonetheless there is a distinction between Christmas and year-end bonuses, at least as far as some companies are concerned. This is revealed by four cooperating companies that give their supervisors both a year-end and a Christmas bonus. A food company gives a year-end bonus "payable at management's discretion" which is based on the employee's years of service, gross earnings, and size of the bonus pool—which is 5% of the company's net annual earnings before deduction of corporate income taxes. For example, in 1954, the company's supervisors with gross earnings of $5,200 and one to five years' service received a bonus of approximately $170. And this company also gives a Christmas bonus to all employees, including the supervisors, that amounts to $50 for those with one year or more of service; $25 for service of six months but less than a year; and $10 for less than six months' service.

Taken as a group, Christmas bonuses tend to be simpler in format than year-end bonuses. And, on an over-all basis, higher total amounts are represented in the year-end bonus group. The largest amount distributed as a Christmas bonus among the companies surveyed is 10% of annual salary, while two companies give year-end bonuses of up to 100% of the supervisor's annual salary.

The method of computing the bonus for the two groups is shown in the accompanying table.

Perhaps the most important distinction between the two types of bonuses is the relationship between the amount of the bonus and the company's annual profits. While many companies that give a Christmas bonus say that distribution depends upon the company's annual profits for the year, in no instance in this survey is the amount of the bonus actually tied directly to company profits. On the other hand, in fourteen of the thirty-nine companies that give year-end bonuses to supervisors, the amount of the bonus is determined in direct relationship to the company's profit level during that year. Four plans set up in this way are:

1. *Precision instruments company*—Has a formal profit-sharing plan on a deferred basis for executives and supervisors. The company also gives a year-end bonus based on the following equation:

Subtract $4,000 from the supervisor's annual base salary and multiply the remainder by:

$$\frac{\text{net profits of company}}{\text{net assets of company}} \quad \text{minus } 10\%$$

2. *Metal products company*—"A year-end bonus is given if profits for the year exceed 6% of net worth before taxes. Each exempt employee is in one of four bonus categories by virtue of position and organizational status. Each category carries a percentage range which defines the bonus payment as a per cent of annual salary—roughly as follows:

Bonus Group	Organizational Status	Bonus as % of Annual Base Salary
I	Top executives, line and staff	0% to 50%
II	Managers (7) of major departments	0 to 25
III	First-level supervisors including foremen	0 to 15
IV	Exempt nonsupervisory personnel	0 to 10

Actual payment is discretionary, based on an appraisal of the individual. However, very few get no bonus."

3. *Glass company*—"A year-end bonus is granted, based on a percentage of earnings after a 7% capitalization is earned."

4. *Electrical products company*—Supervisors participate in a formal profit-sharing plan on a deferred basis. They also get a "year-end bonus based on a share in 9% of the company's profits before taxes for the current year. All receive the same percentage—11.9% of their gross earnings—but the dollar amount varies according to salary."

A large retail trade company has a formula allowing for two year-end bonuses:

Various Methods Used To Compute Christmas and Year-End Bonuses

Christmas Bonuses to Supervisors	*No. of Companies*
Percentage of annual salary	8
Percentage of monthly salary	5
Percentage of weekly salary	1
1 week's pay	3
2 weeks' pay	1
4 weeks' pay	1
Graduated sum	9
Flat sum	3
"Gift," "discretionary" or undefined	20
Total	51 (56.6%) *
Year-end Bonuses to Supervisors	*No. of Companies*
Percentage of annual salary	10
Percentage of monthly salary	3
Percentage of profits	14
Graduated percentage	1
Graduated sum	2
Individual bonus agreement	2
"Discretionary"	7
Total	39 (43.3%) *

* 90 companies equal 100%.

"Merchandise manager and merchandise buyers, including those with supervisory responsibilities, receive two bonuses. One is based on a percentage of net sales. Percentages range from .05% to .5% of net sales. They receive an additional bonus based on gross profit (maintained net markup) based on the formula ranging from 5% to 15% of their base income, and penalized by a formula ranging from 0% to 100% for prior stock and/or turnover.

"Operating supervisory personnel's bonus is computed under the so-called 'point' system; this fund consists of graduating percentages of annual, consolidated net income of the parent corporation and its subsidiary corporations, as per certified annual audit report.

"In some instances, some supervisory employees in both groupings above receive a specific bonus computed at the discretion of management with reference to a formula and without participating in any of the above described arrangements."

As far as the incentive motive is concerned, there is a readily apparent advantage in having the bonus tied in with the company's profit structure, as in the last cases described. A bonus given automatically at Christmas appears to have some of the disadvantages usually attributable to gifts. The recipient doesn't look closely enough into the horse's mouth. He doesn't inquire where the windfall springs from. As a gift, it may be a boon to morale, but its incentive merits appear to be somewhat secondary. On the other hand, if the bonus is tied in with annual profits, the recipient tends to recognize it as a reward for his personal contributions to the success of the company throughout the year. And its incentive value becomes more clearly apparent.

This is to some degree reflected in the statements of representatives of certain companies that give Christmas bonuses. Referring to their incentive value one says, "It's too automatic—but it might cause problems if eliminated." Another says his company's Christmas bonus is "too automatic to influence incentive, but it does help morale."

On the other hand, the representatives of the companies in which the year-end bonuses are tied in with company profits, which were just described, say of their plans:

Co. 1. "The supervisor is made to feel that he is more a part of management by being able to participate in the earnings of his company. He has a greater incentive and interest in his job, and the welfare of his company is closer to him than it would be ordinarily."

Co. 2. "The annual bonus, if yielded out of profits, acts as incentive toward greater productivity and lower costs; also it acts as a reward for above-average management performance."

Co. 3. "The annual bonus makes supervisors aware that their good management can help to increase profits and their extra compensation."

Co. 4. "The annual bonus creates greater interest and enthusiasm in helping the company make a greater profit by improving methods, quality of products, better scheduling, saving on supplies, etc."

Formal Profit-Sharing Plans

The incentive advantages of a year-end bonus that is tied in with company profits become more securely established in a formal, written profit-sharing plan. In the case of the informal year-end bonus, even though it may have been given regularly for several years, management usually reserves the right to discontinue it in any year regardless of the company's annual profit level. Many believe that this is a less stable incentive than a formal profit-sharing plan which is designed to benefit the employee throughout his career with the company.

Fifty companies in the survey allow their supervisors to participate in such formal profit-sharing plans. Sixteen of the plans are set up on a current basis, with payments made either annually or quarterly. Usually these payments are in cash, but sometimes they are in company stock or some combination of the two. An appliance company, for example, makes its profit-sharing payments quarterly in cash and allows for stock purchases annually.

Twenty-four of the companies surveyed have profit-sharing plans set up on a deferred basis. A large chemical company, for example, makes payments under its deferred profit-sharing plan according to the following schedule: in a lump sum in case of death; in annual payments over a ten-year period in case of retirement; and in annual payments over a five-year period if employment with the company is terminated for other reasons.

An electrical products company with a deferred plan gives the administrative committee of its profit-sharing retirement plan the right to make either an immediate payment in one lump sum at the time the plan matures or to make payments in substantially equal annual installments over a period of not more than ten years—whichever the committee considers "as being in the best interests of the members."

Ten of the formal profit-sharing plans operate on a current and deferred basis. Again the payments may be either in cash or in company stock or some combination of the two.

A food company makes its profit-sharing payments in cash at the end of each fiscal year. Also, once a year, it makes a retirement trust contribution. The retirement payments are made annually to retired employees over a twelve-year period "covering the years of age from sixty-five to seventy-seven."

A paper company reports that its supervisors' profit-sharing plan is set up so that a portion of the bonus is paid monthly in cash, while another portion is "applied to investment-fund equity for normal retirement, disability retirement or death benefit to beneficiary."

2. FORMAL INCENTIVE PAY PLANS FOR SUPERVISORS

The aim of all these forms of extra compensation is to inspire the supervisor to identify his own financial betterment with that of the company so that he will have a strong incentive to work for the company's advancement. This goal is perhaps most explicitly defined and focused in incentive pay plans based upon the measurement of the individual supervisor's job contribution—either personally or as reflected in the performance of the men under him. The incentive payments are then made currently in accordance with this measured performance. Thirty-nine companies in the survey have such plans for their supervisors, with payments made on a daily basis in one instance and ranging up to an annual basis in the others.

Such plans are more "savings sharing" than "profit sharing." They are based upon various formulas, fixed in advance, which attempt to relate the amount of extra pay to actual performance and a predetermined standard. In doing this, the company hopes to improve its production and profit by making the supervisor's goals coincide with those of the company's.

Companies that have such plans emphasize the importance of adequately defining and fixing the standards of measurement before the plan is put into operation. It may be difficult to set up fair standards for evaluating the supervisor's performance and scheduling extra pay accordingly. But these would seem to be lesser difficulties than those involved in living with an incentive plan that is casually defined and, as a result, carelessly administered.

Depending upon the purpose and design of the individual plan, measurement of the supervisor's performance can be based upon any one or all of several factors: efficiency, cost savings, quality of product, quantity of production, as well as many miscellaneous items such as housekeeping, safety, absenteeism, and turnover in the department. One of the companies surveyed extends its plan so that it even covers inventions made by its supervisors.

A large chemical company reviews its supervisors' performances quarterly, and then pays an incentive bonus computed on the basis of nineteen factors under three general headings:

> *Results*—Volume, quality, waste, safety, housekeeping, costs
>
> *Methods*—Job instruction, human relations, work distribution, work simplification, use of technical assistance, communications
>
> *Personal Qualifications*—Resourcefulness, initiative, cooperation, stability, industry, dependability, management attitude

This company also has a profit-sharing plan for its management personnel in which supervisors may participate.

A large furniture and fixtures company groups the participants in its incentive pay plan into one of three classifications based on the participant's position in the company and his subsequent ability to affect costs:

> "A 35% group—eligible for incentive pay up to a maximum of 35% of their base salary. This group includes production superintendents, plant engineers, and the chief industrial engineer. About 10% of participants fall into this group.
>
> "A 25% group—principally composed of foremen, but including methods engineers, office supervisors, etc. This is by far the largest group and includes about 75% of participants.
>
> "A 15% group—largely composed of office staff people who have the least potential effect on costs. The remaining 15% of the participants are in this group.
>
> "Who goes into what group is determined by a study of job descriptions, not on evaluation of the man in the job. Recognition of personal ability is reflected in salary through a merit-rating plan. Extra pay for merit is on top of base salary and does not enter into computation of incentive pay."

A large machine tool company bases its annual incentive bonus for supervisors on six factors: individual base salary, department turnover, absenteeism, percentage of incentive coverage, labor cost per standard dollar, and over-all plant-cost efficiency.

Computing the Bonus

Methods of computing the actual amounts paid under supervisory incentive plans vary with each individual plan. The methods used by three of the companies in the survey are described here.

A large glass company—Key men in the plant and supervisors who are sufficiently close to production activities to influence results are eligible to participate in the "key men and foremen bonus" program. The vice-president in charge of finance and the executive vice-president in charge of production collaborate in establishing operating standards based on measurements of all departments for both quality and quantity of production—including budget variations for repairs, maintenance, and inventory gains and losses.

Values created by the application of standards are analyzed and expressed in points, which "for efficient operations" approximate $3. The standards are carefully administered and adjusted to offset innovations and new techniques which might cause fluctuations above the $3 point value. Operating results are measured against standards monthly and payments are made accordingly.

A large electrical machinery company—Each plant is individually evaluated monthly, both by division and on the basis of total plant efficiency. Five major elements are used in evaluating the actual performance of each division in accordance with a predetermined standard and/or budget. The five elements are:

1. Department standard direct labor dollars vs. actual direct labor dollars.

(Continued on page 24)

College Recruitment in 1956

THE COLLEGE GRADUATE never had it so good! It has been good for ten years now. It is going to be better than ever in 1956.

For a full decade the companies have been courting the college senior. Almost every young man, however undistinguished his record, has had one or more job offers. And starting salaries have been climbing steadily.

The story for 1956 may be told simply: more companies will pay higher salaries in an effort to obtain more graduates than ever before. This is the conclusion of the tenth annual report on "Trends in the Employment of College and University Graduates in Business and Industry" just completed by Dr. Frank S. Endicott.[1] Here are some of the findings and conclusions from Dr. Endicott's report, which is based on information supplied by 168 cooperating companies.

Quotas are up 30% over 1955. The demand for engineers, chemists and physicists is up 47%. And 16% more recruits are desired in "all other fields." Many companies have been unable to fill their quotas—especially for seniors with technical training—for several years. Thus, the 1956 quota figure represents accumulated as well as current needs. Students of the subject believe it will be some years before the supply of graduates will equal the demand. By 1970, when a college enrollment twice the present one is expected, the shoe may be on the other foot. But meanwhile there will be chronic shortages and the companies somehow will learn to live with them.

Fifty-three of the 168 companies employ college women. Of these, thirty-eight recruit at the campuses while fifteen wait for the graduate to come to them. Seventeen companies have training programs for college women. However, the 1956 quota for female graduates is slightly *below* last year.

The average monthly starting salary, all fields, for 1956 graduates will be $366. This is $17 higher than 1955. As usual, engineers head the list. They will start at $394 as against $371 last year.[1] Details on salary are shown in the accompanying table.

The turnover experience with college recruits is described as generally favorable or "in line" by the companies. Of the recruits called into military service, 79% returned to the company. Two-thirds of all graduates hired five years ago (1950) are still employed by the same company or are in the service. The highest turnover, as might be expected, occurs within the first two years of employment.

Companies with high turnover attribute their losses to four main reasons:

- Offered higher salary by another company.
- Wanted to live elsewhere. Wife unhappy. Wished to be nearer home.
- Sought more responsibility and faster progress.
- Disliked travel, hours or pressure of job.

[1] Dr. Endicott canvassed the companies during November, 1955. His report was prepared and distributed in December. Quotations have been made from it here with his permission. Persons wishing a copy of the complete study are asked to address a request to Dr. Endicott, Director of Placement, Northwestern University, Evanston, Illinois. There is no charge.

[1] It should be pointed out that the 1956 figures, announced here, represent what the companies *expect* to offer. Few offers have been made and fewer acceptances have been received so far. The experience of the past several years suggests that the *average accepted salary* is somewhat higher than the salary the companies had expected to pay. Furthermore, Dr. Endicott's survey does not go into the matter of "additives," a subject that is discussed in a comprehensive report on college recruitment to be published by THE CONFERENCE BOARD later this year. Additives for scholastic standing, college major, business experience, military service, etc., may boost starting salaries as much as 25% in exceptional cases.

Starting Salaries To Be Offered College Men as Reported by 160 Companies

Field	No. of Companies Reporting	Monthly Salary: $300 or less	$301 to $325	$326 to $350	$351 to $375	$376 to $400	$401 to $425	$426 and over	Average Starting Salary: 1956	1955
Engineering	106	0	3	3	13	53	28	6	$394	$371
Accounting	87	5	10	27	28	12	5	0	352	339
Sales	80	6	12	22	16	19	4	1	358	339
General business	80	8	13	26	20	11	2	0	348	337
Other fields	31	1	3	5	7	11	2	2	374	362
Average starting salary, all fields									366	349

Companies with low turnover offer a number of suggestions for reducing losses:

• Don't oversell the senior in the first place. Give him an accurate picture of your company, the job that he will have, his advancement possibilities, and all the rest.

• Select your recruits carefully. Improve interviewing skills.

• Check your training program to make sure it is well planned, interesting, thorough, informal and active.

• Review salary and progress regularly. Recognize accomplishment.

The companies with low turnover paid their engineers $11 more per month than the companies with high turnover; their accountants $17 more; their general business trainees $23 more; and their sales trainees $32 more. While all these differences are on the side of the low-turnover companies, they do not seem to be very significant differences, the largest one amounting to barely more than one dollar per day. Thus, salary very likely is one factor holding a new recruit to his company, but more important factors appear to be careful selection and a thorough training program.

STEPHEN HABBE
Division of Personnel Administration

What Is the College Graduate Looking For?

When a company offers a job to an inexperienced applicant he is apt to accept it without further ado. But this is not the case with today's college senior. He may turn down five good companies before deciding on a sixth.

The average company reports that one hundred campus interviews are required to find fifteen likely candidates. And this does not mean that the company has succeeded in adding fifteen bright young men to its payroll! Of the fifteen, following a visit to the company and further negotiations, seven or eight may be expected to decline the company's offer. (THE CONFERENCE BOARD is now preparing a comprehensive report on college recruitment which will be mailed to Associates later this year.)

The Mead Corporation Survey

The Mead Corporation of Chillicothe, Ohio, like many other companies, has been canvassing the colleges for years to get its share of graduates. Although its batting average of acceptances was quite respectable, management was interested in improving it. With this goal in mind, Mead's personnel vice-president sent a letter and questionnaire to the twenty-one graduates who did *not* accept the company's offers last year.

Sixteen replies were received and analyzed. Mead believes the findings are significant and that as a result of this survey, it will be able to do a better recruiting job in the future.

Before presenting the findings, several things about the Mead survey should be noted. It is based on only sixteen replies. The graduates who *accepted* Mead's offers were not canvassed. And, finally, no study of why college graduates *remain* on a company's payroll was made. The Mead survey should be interpreted with these limitations in mind.

What factors are important and what factors are relatively unimportant in evaluating a company's offer, according to these sixteen seniors? Let's begin with the unimportant factors which form the longer of the two lists.

The starting salary, as long as it is reasonably competitive, is not a critical factor. Neither are job security, company policies, the matter of job training, the nature of the industry of which the company is a part, or the personality of the company recruiter who first talked with the student on the campus. Yet most companies have given considerable attention to these matters in their recruitment booklets and during their interviews with candidates.

The Two Critical Factors

Two matters were put ahead of all others by the graduates in the Mead survey. One was the nature of the initial job assignment. These young men, it would seem, were anxious to get their teeth into a "real" job promptly. And after sixteen years of schooling, this desire for an active, practical assignment is understandable.[1]

The second factor can be summed up in one word—opportunity. This, perhaps, is the outstanding finding of the Mead survey. *Future* earning possibilities, rather than the immediate salary offered, were underlined. So were opportunities to advance to positions of responsibility. Though young and inexperienced, the boys in this survey definitely had their eyes on the future and were willing to forgo immediate advantages for possible long-term gains.—S.H.

[1] This is not to say that a training program cannot be an "active, practical assignment." Numerous companies have demonstrated that it can be. The trend in college training programs is decidedly in this direction.

The Control of Meetings

To be successful, a meeting must have a specific purpose. And it is this purpose that should determine the procedure to follow in conducting the meeting

THE INCREASING FREQUENCY of conferences in modern business and industry means that such activities must be well planned, well organized, and well conducted if they are to be profitable.

It is not unusual to hear an executive complain that too much of his time is taken up with meetings. But if the executive analyzes his complaint he may find that it is not the amount of time spent in meetings that disturbs him. Rather it is a sense of frustration and impotence because so many of the meetings he attends bog down in endless talk. Or, when the meeting is concluded, he wonders why it should have been held at all. Pointless and fruitless meetings are a real problem to the executive and he often doesn't know what to do about them.

But authorities assure those who will listen that meetings don't have to be a waste of time.

PURPOSE DETERMINES PROCEDURE

People who conduct successful business meetings insist that those who plan and hold a meeting would do well to be thoroughly familiar with the purpose or purposes of that meeting. Furthermore, say the authorities, every meeting must be organized and conducted with its specific purposes in view. And many meetings fail to accomplish their objectives because the method of conducting the meeting does not conform to the purpose of the meeting.

Meetings in business are ordinarily conducted for any one or a combination of three different purposes. These are to give information, to teach a skill, or to discuss a problem.

Many meetings have only a single purpose. But others combine all three purposes. Take, for instance, a sales meeting on the subject of a new product. The opening period of such a meeting may well be devoted to the introduction of the salesmen to the new product (to give information). Following this the salesmen will learn how to demonstrate the applications of the new product (to teach a skill). Finally the group will identify possible customer objections and talk about how to overcome these resistances (to discuss a problem).

Each of these three purposes requires its own procedure in conducting the meeting if the most effective results are to be achieved. And when a meeting has more than one purpose, the procedure changes as the meeting passes from one phase to another.

GIVING INFORMATION

There are many times when management's purpose in holding a meeting is simply to give information. A new employee benefit program is to be installed and employees must be informed of its provisions, and the conditions under which they may participate. Or a meeting may be called when new machinery is to be installed. In this case, the employees are assembled in groups so they may be informed about the coming installation, its implications for them and the welfare of the organization.

In such cases, management's purpose is to give people information which they do not already have. And this means that somebody must lecture to the group.

Those who plan such meetings have often heard that the lecture is the most ineffective teaching method. Or they may have heard others declare that without participation a meeting is doomed to failure. Consequently, they jump to the conclusion that lectures are out of style and should never be used. In fact the word "lecture" has come to have such an undesirable connotation that meetings are often called discussions in an attempt to disguise what is considered an otherwise unpalatable dose.

But the "discussion" label itself often causes a chain reaction which ends in a poor meeting. In calling the meeting a discussion, the planner automatically emphasize group participation instead of the giving of information. This, of course, defeats the purpose of the meeting—which is better served not by the elimination of the lecture but by its improvement through audio-visual aids and adequate opportunity for questions and answers.

When it is necessary to tell somebody something, the easiest and most effective method is simply to tell. Informational meetings may go wrong because this obvious fact is overlooked.

TEACHING A SKILL

This kind of meeting takes on more of the flavor of the classroom, but it is applicable to all jobs at all levels. To carry on the illustration of the new machin-

ery, assume that the equipment has now been installed and that the employees have been fully informed. The purpose of a meeting at this time is to teach selected employees how to operate this machinery.

It has been demonstrated time and again that for the purpose of teaching a skill the very best of lectures is not enough. The lecture method will fail when the trainee attempts to perform the operation unless he can remember every word of what he heard. And few people have that ability. So, a procedure is called for which includes showing, demonstrating and explaining, as well as telling. And the trainee himself must be given an opportunity to practice under observation. The following four steps are generally recognized as essential to success in a meeting of this kind:

1. Prepare the worker to learn. Eliminate all mental hazards and have all tools and equipment at hand.
2. Tell, show, and demonstrate.
3. The trainee himself practices under supervision.
4. The instructor follows up to make sure that everything is understood.

One other point. In meetings held for the purpose of teaching a skill, problem discussion is completely inappropriate. Until they have mastered the operation of the machines, members of such a group have no background information which would allow them to understand and talk about problems.

Thus, it is often found that meetings designed to teach a skill are ineffective because the instructor attempts to get the trainees to discuss problems which they can't possibly understand. Or, perhaps the instructor may only "tell"—and neither show nor demonstrate. Or, he may not give the trainee an ample opportunity for practice. In other words, these meetings often fail because someone tries to short-cut the four basic steps. Authorities agree that no part of the basic procedure may be omitted without serious risk of losing the value of the entire program.

DISCUSSING A PROBLEM

After the employees have been informed about the new machinery and selected people have been trained as operators, difficulties may arise in achieving the expected production. There are bugs to be discovered and then eliminated. This calls for a discussion of the problems involved.

There is now a corps of operators who, because of their knowledge and experience in running these machines, have a wealth of know-how which can be tapped in identifying operating difficulties and in working out their solutions.

Meetings of this type will be best conducted by using the discussion method. In this way, those who have the information and experience may pool their ideas to achieve the most effective answers to the problem.

One of the major reasons why discussion groups are not as effective as they should be, the experts say, is that the problem to be considered is often not real. It may be a hypothetical situation which the group member never expects to face. Or it may be a pseudo problem set up by the meeting planner simply to enable the group to parrot back the content of some previous training program. Or it may be a real problem—but one which does not require a solution, or, one which the group members have reason to believe has already been decided. In this last case, when a final decision has already been made, the meeting should be in the nature of giving information rather than a pointless discussion of the problem. Subordinates resent attempts to make them feel they are participating in a solution when they know this is actually not the case.

To be effective, the discussion meeting must be involved with a real problem—and one which needs a solution. The meeting must be attended by those whose experience will make it possible for them to contribute to the total thinking about the problem. And the meeting itself must be conducted so that discussion will be entirely free, open, and unbiased.

OTHER REASONS FOR FAILURE

But assuming that every meeting has a real purpose, which is understood by the members, and that the method of conducting the meeting corresponds with its purpose, there are still many factors that may cause failure.

During 1955, the executives who participated in the Board's course on conference leadership discussed many factors which in their experience caused meetings to fail. The major points made by these men have been classed under three main headings: inadequate preparation, poor leadership, and uncooperative members.

Inadequate Preparation

It is rare, indeed, that a meeting will automatically proceed to a successful conclusion. Meetings need planning and guidance. The following areas must be thoroughly considered.

Agenda or outline. For informational and instructional meetings the subject alone may be enough. But some instructional meetings will require advance material for study and consideration. And advance study material may be especially important to set the stage or stimulate thinking in preparation for problem-solving meetings.

Membership. Who shall be invited to attend the meeting? This is no problem for groups which meet together regularly. But in other cases, those who are to attend must be chosen with care and discrimina-

tion. The purpose of the meeting and the subject matter is usually the standard by which membership is determined. For instance, in the case of discussion conferences, who can contribute to a solution of the problem? Will there be personality conflicts? Will there be free and open discussion if supervisors and their subordinates are included in the same group?

Scheduling. What time of day will be most convenient for all who are to be there? Many people prefer not to schedule meetings toward the end of the workday because people are tired and their attention is likely to wander. Therefore much of the effectiveness of the meeting can be lost. Some checking is usually necessary to insure that those who should be there can be there.

Number. Again the planner must look to the purpose, subject matter, and method of conducting the meeting as a guide in answering this question. The available facilities will also play a part in determining the number of people who should be asked to attend any given meeting. Meetings involved with problem discussions are usually limited to fifteen members and often to less. However, if there are too few members, the discussion can suffer from a lack of ideas. When there are too many, it takes an excessive length of time to give everybody an opportunity to express himself—and the leader may have a more difficult control problem.

Physical facilities. How does room size and layout affect the number of participants and the method of conducting the meeting? Is there space enough for the necessary furniture arrangement and the special equipment which will be used, such as blackboards, flannel boards, movies, etc?

The comfort of members also needs consideration. Even the kind of chairs will be important in terms of the length of the meeting. And, of course, ventilation will affect the quality of the mental activity which takes place. Ash trays and cool water within easy reach are other items which are usually important for comfort.

Length of meeting. Most authorities talk in terms of one to two hours for the average meeting. Many subjects cannot be handled adequately in less than an hour; and two hours are often more than enough to exhaust the concentration of most people. It is still true, however, that many meetings on routine matters can be taken care of in fifteen minutes. But sometimes the situation is such that unusually long periods of time are required. In this case, frequent "stretch" periods are called for.

Selection of leader. The selection of the proper leader for a given meeting is obviously important. Yet sometimes planners are prone to overlook just such obvious factors. Naturally, the subject of the meeting and the method of conducting it should dictate to a large degree who will take charge. This is a matter of prime importance since the personality of the leader can make the best-laid plans go wrong; his ability can also save the day when something goes wrong.

Poor Leadership

The leader's personality and ability can make or break a meeting. His influence is always important although his function will vary with the particular type of meeting he is leading. At some informational meetings, the leader may simply be a chairman whose function is to keep things moving in orderly progress. At another meeting, he may not only be the chairman but also the main speaker and he may handle the question and answer period.

For a meeting called to teach a skill, the leader becomes an instructor. It is his job to tell, show, and demonstrate the skill to be learned. And he must be able to offer constructive criticism to the learner during practice periods.

In connection with discussion and problem-solving conferences, the leader is just that—a leader. By his objective and impartial attitude he helps the group to consider their problem and to come up with conclusions. At all times he attempts to maintain an atmosphere of free, informal, open comment. He has been compared with a bus driver who keeps the bus moving in the right direction. Others have called him a midwife for struggling ideas.

Regardless of his function, the leader must do considerable planning. If he expects to have a successful meeting he must know where he is going and how to get there. He must have an itinerary well sketched out and he must know where the roadblocks and detours are likely to show up. Through his familiarity with such things, he must be confident enough to take the unexpected in his stride. And he must be so familiar with all possible routes that he can easily switch from one to the other as the group requires.

Uncooperative Participants

A negative attitude on the part of participants is, to a certain extent, the responsibility of the leader of the meeting. But in the conference type of meeting particularly, members of the group also have important responsibilities of their own. The first duty of a conference member is to contribute his best thinking toward the solution of the problem. The participant who withholds his opinion or who refuses to share his experience is excess baggage in a problem-solving conference.

The second responsibility of a conference member is to listen. Listening means much more than being quiet while the other fellow talks. It implies a real effort to understand the other fellow's point of view. Most ideas thrown out in conference discussion have to be put into usable form by the members. This is their job. By questioning, rephrasing, and careful ex-

(Continued on page 30)

AFL-CIO Merger—What's Behind It?

The government and structure of the new federation as well as the men who will lead it are carefully considered in this up-to-date analysis

ON FRIDAY, DECEMBER 2, thousands of employers had contracts with unions which had the initials AFL or CIO after their names. One week later, these same employers, without benefit of NLRB elections or certifications, automatically had contracts with AFL-CIO unions.

In so far as the various companies were concerned, nothing had really happened to their collective bargaining relationships with their unions during that week. They were dealing with the same shop stewards, the same local union leaders and the same national union leaders as before.

But in so far as the AFL and CIO unions were concerned a great deal had happened. And some of it might ultimately affect the already unionized companies as well as those not yet unionized. The leaders of these unions in that one week had:

- Voted out of existence their old affiliates, the AFL and the CIO.
- Voted into existence an entirely new organization—the American Federation of Labor and Congress of Industrial Organizations, with a new constitution, new executive bodies and new officers.
- Formed within the merged AFL-CIO a new department—the Industrial Union Department—which thirty-one ex-CIO unions and thirty-five ex-AFL unions immediately joined.
- Set up a unified political organization to be known as the Committe on Political Education to replace the CIO Political Action Committee and the AFL Labor's League for Political Education.
- Combined the organizing staffs of both the AFL and CIO to establish a new organizing department headed by a former CIO man. This new department set itself the task of doubling AFL-CIO membership to 30 million.
- Ordered the separate AFL and CIO state and city bodies to combine within two years.
- Adopted a policy of encouraging but not forcing the merger of AFL and CIO unions with conflicting jurisdictions, and thereby set in motion a score of merger talks between such unions.
- Adopted a strongly worded resolution to expel unions tainted with racketeering and communism, and set up the Ethical Practices Committee to police the new federation.

VOTE UNANIMOUS; RESERVATIONS MUTED

The AFL and the CIO united on December 5 with surprisingly little internal discord. Delegates from 103 AFL unions and thirty-one CIO unions met in convention and approved the constitution of the new federation without a single dissenting vote. The new executive officers, President George Meany and Secretary-Treasurer William Schnitzler, were also elected without a single nay.

This unanimity was achieved for the most part because of long-term planning and previous agreements between the AFL and CIO. But despite this, there had been some adverse feeling before the merger went through. Michael J. Quill, president of the Transport Workers Union, CIO, had the questionable distinction of being the only union president to actively oppose the merger. At the CIO convention held in the preceding week, he voted against merging with the AFL. And neither Mr. Quill nor his union showed up at the merger convention. This meant that he lost the AFL-CIO vice-presidency as well as the place that had been slated for him on the powerful AFL-CIO executive council. But only a week after the merged federation convention, the executive board of the Transport Workers Union reversed itself and recommended that the membership vote to go into the AFL-CIO in a subsequent referendum.

At the AFL convention, which also was held the week prior to the merger convention, not a single AFL delegate voted against the merger. However, some reservations were expressed. Woodruff Randolph, president of the International Typographical Union, said that individual union autonomy was being sacrificed and that the craft-union tradition of the AFL was being thrown overboard to accommodate the principle of industrial unionism. He and other delegates offered numerous amendments to the new AFL-CIO constitution.

Under the *modus operandi* for merger, amendments to the new federation's constitution were not debated at the first AFL-CIO convention. Rather, all such amendments were referred to the resolutions committee, which is to consider them and then bring them before the next convention which will be held in two

Government of the AFL-CIO Federation

EXECUTIVE OFFICERS
George Meany, President (AFL)
William Schnitzler, Secretary-Treasurer (AFL)

EXECUTIVE COMMITTEE
Composed of 3 CIO and 3 AFL members plus pres. and sec.-treas.

AFL members are:
Harry C. Bates—Bricklayers
George M. Harrison—Railway Clerks
Matthew Woll—Photo-Engravers

CIO members are:
Walter P. Reuther—Automobile Workers
James B. Carey—Electrical Workers
David J. McDonald—Steelworkers

Meets bimonthly
Function is to "advise and consult with executive officers on policy matters"

EXECUTIVE COUNCIL
Composed of 10 CIO and 17 AFL members plus pres. and sec.-treas.

Meets not less than 3 times per year

Function is to carry out convention instructions and direct affairs of the federation between conventions

(All the vice-presidents of the federation are members of the council)

GENERAL BOARD
Composed of "all members of the executive council and the president or other principal officer of each of the national or international unions"

42 CIO (10 council members plus 32 delegates)
125 AFL (17 council members plus 108 delegates and the pres. and sec.-treas.)

Meets at least once each year

Function is to "decide all policy questions referred to it by the executive officers and executive council"

Voting is based on per capita payment by each union

CONVENTION
"Delegates . . . shall vote the per capita membership of the unions they represent." (AFL membership is approximately twice as great as CIO. State and local bodies have one vote each.)

Meets regularly every two years

"The convention shall be the supreme governing body of the federation"

DEPARTMENTS
Industrial Union Department
Walter P. Reuther, President
James B. Carey, Secretary-Treasurer

66 unions: 31 from the CIO
35 from the AFL

Per capita membership is 7,157,120

CIO membership is approximately twice that of the AFL unions

Other departments, all previously established by the AFL, are:

Building and Construction Trades Dept.
Metal Trades Dept.
Railway Employees' Dept.
Maritime Trades Dept.
Union Label and Service Trades Dept.

years. This had the effect of making much less vocal whatever reservations individual unions may have had about the merger.

HOW THE AFL-CIO OPERATES

Unlike the AFL which had one executive body, or the CIO which had two, the new AFL-CIO federation has three executive bodies. What was done was to carry over the executive bodies of both old organizations to the new organization. But former AFL unions predominate on all three: the executive council, the executive committee and the general board.

Authority Vested in Executive Council

The new AFL-CIO executive council consists of the president, the secretary-treasurer, and the twenty-seven vice-presidents. Its personnel corresponds to the personnel that made up the top executive bodies of the AFL and CIO prior to the merger. The executive council meets "at least three times a year." The constitution of the federation states that the executive council is to be the "governing body of this federation between conventions."

Seventeen of the twenty-seven vice-presidents on the council are from former AFL unions. In addition, both the president and secretary-treasurer are ex-AFL men—which means the AFL has a nineteen-man representation on the council. Ten vice-presidencies are held by men from former CIO unions. With the ex-

ception of five men, all were previously members of their respective organizations' top executive groups.

Besides stating that the executive council is to be the governing body of the federation between conventions, the constitution also assigns it many specific duties. These are to:

1. Render decisions and take the necessary action to carry out the convention's decisions and instructions.

2. Prepare a statement of the federation's activities and "all matters of interest," and present this to each convention.

3. Keep informed on all legislation passed by the states and the Federal Government, and propose legislative action.

4. Conduct investigations, directly or through special committees appointed by the president, of any situation "in which there is reason to believe that a union is dominated, controlled or substantially influenced in the conduct of its affairs by any corrupt influence, or that its policies or activities are directed toward the . . . program or purposes of the Communist party, any fascist organization or other totalitarian movement." Upon completion of such investigation, the executive council is to make recommendations or give directions to the union involved.

5. Suspend any union found guilty of corrupt influences or of advancing the program of the Communist party. This action may be taken by a two-thirds vote. The union involved, however, may appeal to the convention. But the executive council's action is to be effective when taken, and it is to be enforced while the union's appeal to the convention is pending.

6. Terminate the suspension of any union that was found to be under corrupt or communist leadership when it is shown that the cause of such suspension no longer exists.

7. Organize new national or international unions by setting up organizing committees or by granting charters to new, directly affiliated national or international unions.

8. Refuse to seat, or remove from office by a two-thirds vote, any executive council member who, after hearings, is found to be following the Communist party line or is found to belong to a communist or fascist organization.

9. File charges and conduct hearings against any executive officer of the federation or other member of the executive council on the grounds that such person is guilty of malfeasance or maladministration. A report must then be made to the convention recommending appropriate action.

10. Give, or withhold, its approval of name changes by affiliated unions. Such approval is necessary before a union can officially change its name and is sometimes important if a jurisdictional dispute arises.

Executive Committee

The AFL-CIO constitution also establishes an eight-man executive committee. This consists of three former CIO men, three former AFL men and the president and secretary-treasurer. Former AFL unions thus have a five to three majority on this executive body.

The CIO chose the following three union presidents

Meany on Anti Anticommunists

One week after the merger, AFL-CIO President George Meany spoke before the National Religion and Labor Foundation. What he said stunned his audience. His talk was interpreted as taking the "professional liberals" to task for not sufficiently exposing communism for what it is, and for being anti anticommunists. When he finished, he received a minimum of polite applause. His speech is quoted in part below:

"Too many in the free world fail to see the real nature of communism as the mortal foe of everything that we hold dear, of every moral and spiritual value. Too many in the free world are still prisoners of the illusion that communism is, historically speaking, a progressive system—extreme liberalism temporarily making bad mistakes. Actually, communism represents darkest reaction. It is an antisocial system in which there are imbedded some of the worst features of savagery, slavery, feudalism and life-sapping exploitation manifested in the industrial revolution of early-day capitalism.

"Too many in the free world seem to have lost their capacity for moral indignation against the most brutal inhumanities when they are perpetrated by communists. It is painful, but we must face the cruel facts of life. We of the democratic camp must develop a far more vigorous moral attitude. We must rekindle our capacity to cry out against, to protest against, the Godless dogmas and savage crimes being perpetrated by Moscow. Such struggles and such protests are not negative actions. I know of nothing more positive and constructive than a total struggle against the totalitarian cancer in the body politic of modern society.

"It is rather disturbing to me that many people in our country who call themselves liberals are stone silent about the Soviet concentration camps. They never find the time to utter a word of condemnation against the communist imperialist destruction of the national independence and democratic rights of hundreds of millions of people in Europe and Asia. It is shocking to see the studied attempts being made by western diplomacy to tear to shreds the charter of the United Nations under the guise of the so-called package deal with Moscow and Peiping. Can it be that the free world is so weak in its moral spirit that it does not recognize this deal as appeasement of the worst kind?"

as executive committee members: Walter Reuther, Automobile Workers; James B. Carey, Electrical Workers; and David J. McDonald, Steelworkers. The AFL executive committee members are: Harry C. Bates, Bricklayers; George M. Harrison, Railway Clerks; and Matthew Woll, Photo-Engravers. These three AFL leaders, were the men with the most seniority on the AFL's executive council. The duties of the new executive committee are: to meet every two months, and to advise and consult with the president and secretary-treasurer on policy matters.

The AFL-CIO executive committee, in function, is a counterpart of the former CIO's executive committee, which also met every two months "to counsel and advise the president on policy matters." In the CIO, the executive committee had exercised great power. And many former CIO leaders thought that the new executive committee might exercise similar power in the merged federation. The three men that the CIO assigned to this committee are heads of unions that have more than 50% of the CIO's membership.

AFL leaders, on the other hand, say that the executive committee will *not* be the real locus of power. And the AFL's three representatives come from unions with less than 5% of AFL voting strength.

General Board Has Few Powers

In addition to the executive council and the executive committee, the constitution provides for a third executive body—the general board. This consists of all the members of the executive council (the president, secretary-treasurer and the twenty-seven vice-presidents), plus the president or principal officer of each of the national or international unions affiliated with the merged federation. The general board will be a large, cumbersome organization of 169 members, forty-two of whom are from former CIO unions and

Who's Who on the New AFL-CIO Executive Council

The most powerful single body in the new AFL-CIO federation is the executive council. It consists of the president, the secretary-treasurer and twenty-seven vice-presidents—seventeen from former AFL unions and ten from former CIO unions. The name of each of the members of the AFL-CIO executive council, the union from which he comes, as well as the union's former affiliation, are indicated below:

President—George Meany (AFL)

Secretary-Treasurer—William F. Schnitzler (AFL)

Vice-Presidents

- Harry C. Bates—Bricklayers, Masons and Plasterers International Union of America (AFL)
- Dave Beck—International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America (AFL)
- William C. Birthright—Journeymen Barbers, Hairdressers, Cosmetologists and Proprietors' International Union of America (AFL)
- William C. Doherty—National Association of Letter Carriers (AFL)
- David Dubinsky—International Ladies' Garment Workers' Union (AFL)
- George M. Harrison—Brotherhood of Railway Clerks (AFL)
- A. J. Hayes—International Association of Machinists (AFL)
- Maurice A. Hutcheson—United Brotherhood of Carpenters and Joiners of America (AFL)
- Joseph D. Keenan—International Brotherhood of Electrical Workers (AFL)
- Charles J. MacGowan—International Brotherhood of Boiler Makers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (AFL)
- William L. McFetridge—Building Service Employees International Union (AFL)
- James C. Petrillo—American Federation of Musicians (AFL)
- A. Philip Randolph—Brotherhood of Sleeping Car Porters (AFL)
- A. L. Spradling—Amalgamated Association of Street and Electric Railway Employees of America (AFL)
- Richard F. Walsh—International Alliance of Stage Employees and Moving Picture Machine Operators of the United States and Canada (AFL)
- Herman Winter—Bakery and Confectionery Workers' International Union of America (AFL)
- Matthew Woll—International Photo-Engravers Union of North America (AFL)
- Joseph Beirne—Communications Workers of America (CIO)
- L. S. Buckmaster—United Rubber, Cork, Linoleum and Plastic Workers of America (CIO)
- James B. Carey—International Union of Electrical, Radio and Machine Workers (CIO)
- Joseph Curran—National Maritime Union of America (CIO)
- O. A. Knight—Oil, Chemical and Atomic Workers International Union (CIO)
- David J. McDonald—United Steelworkers of America (CIO)
- Jacob S. Potofsky—Amalgamated Clothing Workers of America (CIO)
- Emil Rieve—Textile Workers Union of America (CIO)
- Walter P. Reuther—United Automobile, Aircraft and Agricultural Implement Workers of America (CIO)
- Willard S. Townsend—United Transport Service Employees Union (CIO)

127 from ex-AFL unions. Voting power of the members of the general board is based upon the number of members on whom their respective unions have paid per capita taxes to the federation.

The new federation's general board is analogous to the CIO's executive board. The CIO body was also made up of "one member from each affiliated national and international union." In the CIO body, the voting power of an executive board member was also based on the number of members in his union. The AFL had no comparable executive body.

The AFL-CIO merger agreement and the constitution of the new federation provide that the general board shall meet at least once a year and "shall decide all policy questions referred to it by the executive officers or the executive council." In short, the general board has no powers except those that the federation's officers or the executive council may decide to give it from time to time.

INDUSTRIAL UNION DEPARTMENT FORMED

In the new AFL-CIO organization, the CIO actually became the IUD—the industrial union department. The formation of this department during the AFL-CIO convention fomented a bitter behind-the-scenes battle over who was going to control the new department—Dave Beck or Walter Reuther. The battle was touched off by a statement from Mr. Beck, Teamster union president, that he was taking his union into this new department "lock, stock and barrel." On the basis of the 1,400,000 members he claimed to represent, his would have been the largest single union in the department. And, according to some observers, this might have enabled him to block the election of Walter Reuther as president of the department that is taking over the CIO's residual assets of $1 million.

Mr. Beck's bid was turned down on the basis of the provision in the AFL-CIO constitution that only permits representation on the IUD for that portion of a union's membership that is industrially organized. So the Teamsters were allowed membership in the IUD on the basis of 400,000 industrially unionized members—1 million less than Mr. Beck's original figure.

With AFL-CIO President George Meany as temporary chairman, the election of IUD officers went off without a hitch. Mr. Beck himself was not present. The delegates elected Walter Reuther president of the new department and James B. Carey its secretary-treasurer. They also agreed that eight of the twelve vice-presidents to be designated should be from former CIO unions. "Four vice-presidencies" AFL-CIO President George Meany said, "are to be filled by the IUD executive board from former AFL unions that are joining the department." This, he said, would be done within thirty days.

Great Power Vested in Reuther

The industrial union department's constitution gives great power to the president. It grants practically no power to an executive committee made up of the twelve vice-presidents, and theoretically grants considerable power to a cumbersome eighty-man executive board.

Under the constitution, Walter Reuther, president of the IUD, has the power to:

- Supervise the affairs of the department.
- Sign all official documents.
- Preside at regular and special conventions.
- Call regular meetings of the executive board at least three times a year.
- Convene special meetings when necessary.
- Interpret the constitution between meetings of the executive board. His interpretation is conclusive and in full force unless changed by the executive board or the convention.

Little power is vested in the vice-presidents of the IUD. Of their duties, the IUD constitution says: "The vice-presidents and executive officers shall meet bimonthly and shall act as an executive committee to counsel and advise with the president on policy matters. Each vice-president shall carry out such special assignments as may be necessary in the judgment of the president to advance the work of the department."

Eighty-Man Executive Board for IUD

The executive board established by the IUD's constitution consists of the IUD's president, its secretary-treasurer, the twelve vice-presidents, and one representative from each union in the department. (For makeup of the IUD, see box on page 22.) The executive board thus starts off with eighty members. Each union, whether representing 2,000 or a million industrially unionized members, has a representative. On ordinary issues, each member has a vote. Conceivably, AFL unions under this arrangement could outvote CIO unions. However, the constitution provides that on roll-call votes each union votes its per capita membership in the department. On this basis CIO unions have a two-to-one majority over AFL unions.

The constitution provides that the executive board of the industrial union department has the power to:

1. Grant certificates of affiliation with the department to national or international unions.
2. Suspend affiliated unions for failure to pay per capita taxes.
3. Prescribe rules and regulations for the establishment and conduct of state and city IUD councils.
4. Fix salaries and establish rules governing reimbursement of necessary expenses of officers and executive board members.

(Continued on page 22)

Trends in Labor Relations

Overtime Provisions in Engineering Contracts

MANY EMPLOYERS erroneously believe that anyone employed in the field of engineering is exempt as a "professional" employee from the overtime provisions of the Fair Labor Standards Act and the Walsh-Healy Public Contracts Act. Therefore the wage and hour and public contracts divisions specifically caution that "the field of engineering has many persons with engineer titles who are not professional engineers, as well as many who are trained in the engineering profession but are actually working as trainees, junior engineers, or draftsmen." These subprofessional engineers, unlike the professional engineers, are not exempt from the overtime provisions of the Fair Labor Standards Act and the Walsh-Healy Public Contracts Act.

Because engineering-union contracts cover both exempt and nonexempt employees, their overtime provisions must establish two distinct sets of rules for overtime. Those provisions covering nonexempt employees must meet the legislative requirements of time and a half for over forty hours' work in one week under the wage-hour law, or over eight hours in one day under the Walsh-Healy Public Contracts Act. The following example of an overtime provision in an engineering contract covering nonexempt employees is taken from an electrical equipment manufacturer's contract with an independent union:

> "Hours worked by nonexempt employees, except hours worked on Sunday, in excess of eight hours in any day or forty hours per week, will be paid at an overtime rate of one and one-half times the employee's average earned hourly rate.
>
> "Hours worked by nonexempt employees on Sunday after forty straight-time hours (including involuntary absences) have been worked in the week will be paid at an overtime rate of twice the employee's average earned hourly rate.
>
> "Hours worked on observed holidays by nonexempt employees will be paid at an overtime rate of one and one-half times the employee's average earned hourly rate. Such payment is in addition to the employee's salary.
>
> "The earned rate for overtime purposes will consist of straight-time earnings, including base rate, night-turn bonus, group leader remuneration, and incentive payments."

Extra Nonexempt Overtime Rate

A nonexempt overtime rate in excess of the legally required rate is provided by the contract of a nationwide company with an independent electrical union:

> "All work done at the direction of the supervisor in excess of eight hours per day or forty hours per week, all work done before the commencement of and after the end of the employee's regular working hours, and all work done on Saturdays, Sundays, or any of the holidays recognized herein, shall constitute overtime and shall be paid for at the following overtime rates:
>
> "(a) All work done at the direction of the supervisor by any employee before the commencement of such employee's regular working hours shall be paid for at not less than one and one-half times the regular straight-time rate. All work done at the direction of the supervisor by any employee after the end of such employee's regular working hours, on days when such employee has been ordered by the employer to report after the commencement of such employee's regular workday, shall be paid for at not less than one and one-half times the regular straight-time rate.
>
> "(b) The first two hours of overtime worked in excess of eight hours in any one day shall be paid for at not less than one and one-half times the regular straight-time rate. All overtime work after the first two hours of overtime shall be paid for at twice the regular straight-time rate.
>
> "(c) When overtime is worked in excess of two hours in any one day, the employee working such overtime shall be allowed twenty-four minutes for supper with pay at the rate of time and one-half except on Saturdays, Sundays or holidays, when the minimum overtime rate for such days shall apply.
>
> "(d) All work done on Saturdays by any employee during such employee's normal working hours shall be paid for at one and one-half times the regular straight-time rate. Any work in excess of eight hours on Saturday or before or after the employee's working hours shall be paid for at double the regular straight-time rate.
>
> "(e) All work done on Sundays shall be paid for at double the regular straight-time rate."

Provisions Governing Exempt Employees

Provisions governing employees exempt from the overtime provisions of the two federal laws vary greatly. The engineering contracts usually provide that such employees will *not* receive overtime payment for work they do of their own volition after hours. In the clause below, taken from an eastern company's contract with a unit of the Engineers and Scientists of America, this is termed "nondirected overtime." If exempt engineering employees are "directed" to work overtime, most of the contracts pro-

vide that they are to receive overtime. This is also provided in the following clause:

"Exempt employees are expected to work additional time over and above the regular workday or workweek at their own discretion and of their own choice, without their being directed to do so by the employer. Such work shall be termed 'nondirected overtime' and the employee shall not be compensated therefor, nor receive credit toward the forty hours which must be worked before an employee becomes eligible for overtime payments. On the other hand, the salary of such employees shall not be reduced for that part of the workweek for which prior approval has been secured from proper authority for the absence from work of less than a week.

"Overtime Compensation—Exempt Employees: When the employer directs exempt employees to work overtime in excess of the regular workday or regular workweek, employees so directed are expected to work such overtime, hereinafter termed 'directed overtime,' and shall be paid for such directed overtime. . . ."

Cut-off Points for Time and One-Half

For "directed overtime," time and one-half is generally provided for exempt engineering employees receiving salaries up to a predetermined level. Beyond that salary level, time and one-half is not paid. Under an eastern company's contract with an independent union this level is fixed at $500 a month. If an employee's base monthly salary is over $500 for a schedule of forty hours per week, he receives a set allowance for each scheduled hour over forty. If he is a weekly paid employee, he receives $4.35 for each such hour worked in any one week. If the employee is paid by the month, he receives an additional $18.75 per month to cover each additional weekly scheduled hour worked during that month. For instance, an employee whose base salary is $500 and who works a regular forty-two hour week for a month gets a salary of $537.50 for that month.

The provision setting up this procedure reads as follows:

"Base Salary Rates for Forty Hours	Pay for Scheduled Overtime Over Forty Hours per Week
"Up to and including $500 per month ($115 per week)	Time and one-half
Over $500 per month (over $115 per week)	$18.75 [per month] per scheduled hour ($4.35 per scheduled hour for weekly paid employees) with a maximum payment of $1,250 per month ($288 per week) less 50% of the difference between the monthly rate and $1,250 (or the weekly rate and $288)"

Sliding Scale for Overtime

The cut-off point for straight-time-and-one-half overtime for exempt engineers is fixed at $542 a month under a western company's contract with an independent engineering association. Above that point the overtime rate decreases on a sliding scale to a cut-off point of $1,277 a month base salary. This clause reads:

"a. Employees whose base monthly salaries are $542 or less shall receive 3.75% [of base weekly salary] (time and one-half) for each scheduled hour in excess of forty.

"b. Employees whose base monthly salaries are from $543 to $1,106, inclusive, shall receive 2.5% [of base weekly salary] (straight time) plus $6.77 per month for each such scheduled hours.

"c. Employees whose base monthly salaries exceed $1,106 shall receive additional compensation on a descending scale in accordance with the attached schedule:

"Extended Workweek Compensation Schedule for Employees Whose Base Monthly Salary Rates Exceed $1,106

Base Monthly Salary Rate	Extended Workweek Hours 44	45	48	52
$1,107-1,127	$126	$158	$252	$378
1,128-1,145	112	140	224	336
1,146-1,164	98	123	196	294
1,165-1,182	84	105	168	252
1,183-1,201	70	88	140	210
1,202-1,221	56	70	112	168
1,222-1,239	42	53	84	126
1,240-1,258	28	35	56	84
1,259-1,276	14	18	28	42
1,277 and up	0	0	0	0"

Overtime Fixed by Salary Brackets

A cut-off point of $540 for time and one-half overtime is fixed by a nationwide company's contract with an independent engineering union. This contract establishes its various categories of overtime payments according to salary brackets:

"Pay for authorized overtime shall be computed at the following rates and as provided in the tables below:

"(A) Hourly equivalent of employee's standard rate.

"(B) One and one-half times hourly equivalent of employee's standard rate.

"(C) One and one-half times hourly equivalent of $535 per month.

"(D) Twice the hourly equivalent of employee's standard rate.

"(E) Twice the hourly equivalent of $535 per month.

Overtime worked on:	"Standard Rates All weekly; & monthly less than $540	Monthly $540 but less than $805	Monthly $805 but less than $1,350
1. Monday to Friday inclusive			
(a) For hours in excess of standard daily work schedule, but not in excess of 8 hours per day	(A)	(A)	(A)
(b) For hours in excess of 8 hours per day	(B)	(C)	(A)
2. Saturday			
(a) For hours in excess of standard weekly work schedule, but not in excess of 40 hours per week at straight time . .	(A)	(A)	(A)
(b) For hours in excess of 40 hours per week at straight time	(B)	(C)	(A)
3. Sunday	(D)	(E)	(A)
4. Recognized holidays			

(a) Within employee's standard daily and weekly work schedule	(D)	(D)	(D)
(b) Outside employee's standard daily or weekly work schedule	(D)	(E)	(A)

"In no event shall an employee whose rate is $540 to $1,345 inclusive per month receive for any month more than $1,350 including payment for overtime hours worked.

"Standard hours on recognized holidays . . . and paid vacation days . . . falling within the employee's standard weekly work schedule shall be credited as time worked in computing the forty hours per week at straight time."

Supper Money

Supper money for nonexempt employees is provided by a nationwide company's contract with an independent union. This contract specifically excludes exempt employees receiving overtime from such supper money.

"Nonexempt employees who are directed to work more than ten hours on any regular workday (or on any 'make-up' day scheduled in lieu thereof) will be reimbursed for supper and other expenses incurred up to a maximum of $3, provided, however, that employees (exempt employees) receiving overtime pay for a particular week will not be paid such expense money for overtime worked during that week.

"If directed to work on days other than regular workdays (or on holidays) but exclusive of scheduled 'make-up' days, such employees should be reimbursed for meal and other expenses up to a maximum of $3 for one-half day or $6 per full day authorized, provided, however, that employees (exempt employees) receiving overtime pay for a particular week will not be paid such expense money for overtime work during that week."

JAMES J. BAMBRICK, JR.
HERMINE ZAGAT
Division of Personnel Administration

Labor Press Highlights

AFL-CIO Merger Sidelights

VOLUME 1, No. 1 of the *AFL-CIO News* made its appearance on December 10th as the official publication of the American Federation of Labor and Congress of Industrial Organizations. It replaces *The CIO News* and the *AFL News-Reporter,* both of which have discontinued publication. The sixteen-page weekly tabloid's subscription price is $1.25 per year. It is published under the direction of Henry C. Fleisher, director of publications of the AFL-CIO, who formerly edited *The CIO News.*

CIO Finances and John L. Lewis

Shortly before the merger convention, *The CIO News* published a final financial statement of the CIO which placed the CIO's net worth at $2,141,362.42, as of September 30, 1955. This was a drop of $87,135 from the net worth of the previous year. Total income for the year was $5,264,484.46, almost all of which came from dues. CIO expenses during the past year—as indicated by the drop in net worth—exceeded income and amounted to $5,351,619.46.

Shortly after the statement was published, the United Mine Workers' union, headed by John L. Lewis, requested that the CIO repay $1,665,000 "borrowed" from the UMW during the early organizing years of the CIO. The letter, addressed to Mr. James B. Carey, Secretary-Treasurer of the CIO, and dated November 30, 1955, was published as follows in the *UMW Journal:*

"Dear Sir and Brother:

"The United Mine Workers of America extended services and cash totaling approximately $7,250,000 in the campaigns to organize the men and women into most of the national organizations affiliated with the Congress of Industrial Organizations.

"This figure does not include $200,000 donated to Mr. Sidney Hillman for the conduct of the organizing drive in the textile industry, nor does it include cash loans of $601,000 furnished the Steelworkers' organizing committee for the conduct of the 'little steel strike' which has been repaid in full. Neither does it include sundry donations and loans to other struggling affiliates with the Congress of Industrial Organizations. One million six hundred eighty-five thousand dollars ($20,000 repaid, leaving a balance of $1,665,000 still due) of this money was negotiated loans by the accredited, selected representatives of the Congress of Industrial Organizations with the officers of the United Mine Workers of America.

"You are now in the process of liquidating the Congress of Industrial Organizations. We believe that the millions of men and women who are the beneficiaries of the contributions the United Mine Workers of America have made, in order for them to enjoy equal opportunities with the rest of the organized workers in America, will want to honor this valid loan before you dissolve your organization.

"The international executive board of the United Mine Workers of America now in session this 30th day of November, 1955, has authorized me to ask that this stipulated indebtedness be presented to your forthcoming con-

vention with the belief that the delegates will authorize its liquidation.

"In behalf of the international executive board.

Sincerely yours,
JOHN OWENS,
Secretary-Treasurer"

The CIO's reply, addressed to Mr. John L. Lewis, President, United Mine Workers of America, and also dated November 30, 1955, was published in *The CIO News* as follows:

"Dear Sir and Brother:

"This will acknowledge the letter of November 30, handed to me by your special courier—exactly on schedule, as your public relations representative, David Charnay, had advised me it would.

"The letter is in error. Among the many reasons are these:

"1. The CIO is not being 'liquidated.'

"2. The CIO owes you no money.

"You have achieved the momentary ripple of publicity which you sought to relieve the boredom of your isolation from the democratic labor movement.

"As the president of the second largest bank in Washington can tell you, this publicity is worth easily $1,665,000.

Fraternally yours,
JAMES B. CAREY
Secretary-Treasurer

"P.S. I trust that you enjoy reading the CIO's book on twenty years of CIO's constructive achievements, which I have sent to you by your own courier."

UAW-AFL Resists Absorption

The United Automobile Workers, AFL, came to the merger convention pledged to back the merger but set against any absorption or amalgamation of its union with the UAW-CIO. According to the *AFL Auto Worker,* the UAW-AFL convention in November had featured an attempt by some factions in the union to pave the way for amalgamation. But in reelecting the incumbent slate of officers for a four-year term, the UAW-AFL convention defeated those in favor of such action.

NMU Out of Maritime Department

The bid by Joseph Curran, president of the CIO's National Maritime Union, to meet with AFL maritime unions for the purpose of ironing out problems was flatly rejected by Harry Lundeberg, head of the AFL's Sailors' Union of the Pacific, according to the *West Coast Sailors.* Mr. Lundeberg headed the maritime department of the AFL and continues to head the department in the AFL-CIO. The NMU remains outside the maritime department despite the merger.

But, prompted by the merger, several other old rifts have been closed. The jurisdictional fight between the AFL Amalgamated Meat Cutters and the AFL Retail Clerks which went back to the early 1900's was settled. It involved the status of meat cutters in retail stores. According to *Labor's Daily* (Typographical Union, AFL) the two unions have agreed that all employees of the meat department in a retail store are under the Amalgamated Meat Cutters' jurisdiction; and all other employees are potential Retail Clerk union members.

The Meat Cutters and CIO Packinghouse Workers' union also reached agreement and have set March as the tentative date for merger, according to the *AFL-CIO News.* The CIO unit claims 175,000 members; and the AFL union 350,000. The *AFL-CIO News* reports that the two unions have 110,000 members in the "big four" packing houses.

And the Steelworkers and Teamsters have set up a liaison committee to adjust mutual problems, according to the *AFL-CIO News.* No such agreements exist, however, between the IUE and Teamsters. *The IUE-CIO News* reports that when the IUE complained to Mr. Beck about Teamsters crossing picket lines in the Ohio Westinghouse strike, Mr. Beck responded, "It's a local matter."

Steel Union Assets

Net worth of the United Steelworkers of America rose $1.25 million during the six months ending June 30, 1955, reports *Steel Labor.* The steel union's financial statement shows total assets of $19,497,991.02, of which more than $12 million are in "investment securities." USA's liabilities amounted to $631,808.89. Income of the steel union was $9,111,505.77 for the first six months of 1955. Of this, expenses took $7,871,762.59. *Steel Labor* claims approximately 2,700 locals with 1,200,000 members now make up the total membership of the Steelworkers.

AFL Total Benefits Exceed $100 Million

During 1954, AFL unions paid out a total of $111,554,250 in benefits and services, according to the *Lansing Industrial News* (AFL, Michigan). The largest category, $29,752,615, went to members for old-age benefits. Other benefits listed by the AFL executive council were for death, sickness, unemployment, disability and other miscellaneous reasons.

Upholsterers Set Pension Deadline

By July 1, 1956, all contracts of the Upholsterers' International Union must include the UIU's national pension plan or they will not receive the international union's approval, reports the *UIU Journal.* At present, the *UIU Journal* states that 1,155 employers with 19,438 employees have accepted the pension program. The total declared membership of the UIU is 54,000. The Upholsterers' pension plan was formulated July 1, 1953. It is administered by a union-management board of governors with UIU President Sal B. Hoffman as nonvoting chairman of the board.

HAROLD STIEGLITZ
Division of Personnel Administration

Briefs on EMPLOYEE BENEFITS

GE's Major Medical Program

As part of the recent revision in its employee benefit program, General Electric installed a major medical plan which allows employees to choose between two different methods of protection for major medical expenses. The plan is contributory and covers dependents as well as employees.

To date, 95.7% of the employees insured under the revised plan have chosen the "comprehensive" medical benefits which completely displace the basic hospital- and surgical-expense plan. The comprehensive plan is split into two parts, depending on the type of medical expenses involved. Type "A" expenses—such as hospital room and board, surgical expenses and x rays—are paid as follows: the employee pays the first $25; the plan pays the next $225; and the remaining bill is split, with 15% paid by the employee and 85% by the plan. Type "B" expenses—such as doctor, nurse and drug bills—are handled by the employee paying the first $50 and splitting the remaining bill on a 25%-75% basis. The two deductibles of $25 and $50 are applied only once each calendar year. However, no individual pays more than $50 as a deductible any year, because the $25 type "A" deductible can be included as part of the $50 type "B" deductible. There is a yearly maximum of $7,500 for each individual and a lifetime maximum of $15,000 which the plan will pay for the combined type "A" and type "B" expenses.

The other method of covering major medical expenses is known as the "basic and extended medical expense plan." This plan, too, is split in two parts. One part involves expenses covered by a "basic" hospital-surgical plan (essentially type "A" expenses); the other involves expenses not covered by the basic plan (essentially type "B" expenses). For expenses covered by the basic plan, when the bill exceeds the plan's stipulated ceiling, the employee must pay the next $100 of expenses. But any expenses beyond this are split, with 25% paid by the employee and 75% paid by the plan. For expenses not covered by the basic plan, the employee pays the first $100 and 25% of the remaining bill. But regardless of the type of expense, the employee pays only $100 as a deductible in any calendar year. For each individual there is a yearly maximum of $5,000 and a lifetime maximum of $10,000 which the plan will pay.

The cost to the employee for the entire insurance package, including life insurance and disability benefits as well as major medical protection, is 0.9% of annual earnings for individual protection and 2% of yearly pay up to $5,000 for each dependent's protection.

New Development in Pooled Pension Funds

The announcement by the Manufacturers Trust Company that the Treasury Department has approved its "group trust" program for tax exemption under Section 501 (a) of the Revenue Code adds a new dimension to "commingling" the pension funds of a group of companies for investment purposes.

Under the group trust arrangement of Manufacturers Trust, a company with a qualified pension or profit-sharing plan sets up a "participating trust," with Manufacturers Trust as trustee. Manufacturers Trust then pools the funds of any number of participating trusts by transferring the individual trust funds to a group trust. The Treasury Department has held that the earnings of this group trust fund can qualify for tax exemption under Section 501 (a) of the Revenue Code.

This ruling is especially important to a small company, of course. By pooling its funds with those of other companies, the small company obtains the advantages inherent in large trust funds. Administrative and investment costs are smaller. And most important, large trust funds usually have better earnings than small ones because of the ability to diversify investments. To these advantages, the Treasury has now added the further advantage of tax exemption for the earnings of the commingled fund.

Previously, only two types of commingled fund arrangement were clearly tax exempt: the negotiated, multiple-employer plan and the correspondent bank plan. However, the negotiated, multiple-employer plan is essentially a single pension plan for a number of companies rather than the pooling of pension money of a number of distinct plans. The second type of plan—which a number of large banks have for their correspondent banks—is much closer to the group trust arrangement. However, there is a working relationship among the banks that pool funds. But under the group trust there needs to be no obvious relationship among the companies that pool their funds.

Manufacturers Trust predicts that "the availability of this type of group trust will increase appreciably the number of small companies with pension plans."

Philip Morris Profit Sharing

On January 1, Philip Morris, Inc. installed a deferred profit-sharing plan which covers seasonal employees as well as regular full-time employees. To be a participant in the profit-sharing fund an employee needs twenty-four months of service, consecutive or otherwise.

The company's yearly contribution is the smaller of (1) 15% of the total compensation of the participants in the fund or (2) 3% of yearly earnings prior to federal income tax deduction.

If employment is terminated because of death, the beneficiary receives the current value of the former employee's share of the fund in a lump sum. If employment is terminated for any other reason, including retirement, distribution is made, at the sole discretion of a committee, in one of three ways: (1) a lump sum; (2) monthly, quarterly, semi-annual or annual payments not to extend over more than fifteen years; or (3) purchase of an annuity contract which may or may not be delivered to the employee.

Texaco Savings Plan

The Texas Company changed its employee savings plan on January 1 to allow payroll deductions as high as 6% of basic salary instead of the previous 5% maximum. The company continues to contibute 50 cents for each dollar an employee saves.

Currently, about 85% of eligible employees participate in the savings plan. Since it was established in July, 1952, employee and company contributions, plus earnings, have totaled $37 million. Amounts paid out have reduced this total to $34.5 million. Fifty-three per cent of this amount is invested in company stock; 35% is in government bonds; $1 million is in investment company shares, and $3 million is in cash.

An employee or his beneficiary receives the entire amount in his account at death or retirement or, if he has been in the plan for five years, at termination of employment for any other reason.

An employee who terminates his employment (except for death or retirement) prior to five years in the plan receives the larger of the following: (a) his own contributions plus all interest, dividends or forfeitures credited to the account or (b) the value of his account minus company contributions.

Provision also is made for withdrawals from the plan, under certain conditions, by an employee who remains in company service.

HARLAND FOX
Division of Personnel Administration

Management Bookshelf

Management of Expanding Enterprises—The swift growth of many industrial enterprises during the past decade has emphasized the critical problems that management must face in holding and improving its competitive position once the company expands beyond a certain size. This investigation of the key issues faced by such a company in achieving uninterrupted growth is the report of a round table in which leading business executives and management consultants participated. *By William H. Newman and James P. Logan, Columbia University Press, New York, New York, 1955, 125 pp. $2.75.*

New Horizons in Color—A book explaining the use of color in architecture and decoration, it includes over 150 illustrations, six in full color, and two pages of color samples. The author gives suggestions and specifications for the use of color and analyzes the physical, psychological and esthetic aspects of it. Lessened eyestrain and fatigue, lower accident rates and increased work capacity are cited as benefits resulting from the correct use of color. *By Faber Birren, Reinhold Publishing Corporation, New York, New York, 1955, 200 pp. $10.*

Industrial Recreation—A Guide to its Organization and Administration—Beginning with principles that are recommended as bases for programs of industrial recreation, the author proceeds to planning and initiating a program, description of possible activities and details of their administration. Financing and evaluation are also considered. This is an all-round discussion that encompasses the findings of several surveys. *By Jackson M. Anderson, McGraw-Hill Book Company, Inc., New York, New York, 1955, 304 pp. $5.*

What Makes an Executive?—A report on a round table on one of the critical problems facing management today—identifying and developing people with the ability to manage. The discussions, in which prominent representatives from business, government, science, psychiatry and the church participated, reflect the first-hand experience of men who have been confronted with the problem of selecting, developing and utilizing executives. Their conclusions are by no means definitive, but they are stimulating and varied, and offer several ideas for further investigation and discussion. *Eli Ginzberg, Chairman, Columbia University Press, New York, New York, 1955, 179 pp. $3.50.*

The Human Element in Industrial Accident Prevention—This book contains summaries of more than a hundred studies screened from nearly one thousand references to safety that appeared in various journals, text books and periodicals. The primary criterion for selection was a direct pertinence to industrial safety. Personnal and safety specialists may find considerable practical information in this volume. *By John C. Larson, Research Associate, Center for Safety Education, Division of General Education, New York University, New York City, 1955, 114 pp. $2.*

AFL-CIO Merger

(Continued from page 15)

5. Designate a delegate to the AFL-CIO convention.
6. Direct the affairs of the department between conventions.

Meetings of the IUD executive board, the constitution says, shall be called by the president at least three times a year. For these meetings, a majority of the members will "constitute a quorum for carrying on the business of the board."

Purposes of the Department

The purposes of the industrial union department as spelled out in its constitution are:

1. To promote industrial unionism within the AFL-CIO.
2. "To aid and assist affiliates in securing improved wages, hours and working conditions through collective bargaining. . . ."
3. To engage in both federal and state legislative activity with respect to matters of interest to industrial unions.
4. To engage in research, legal, publishing and public relations activities.
5. To administer the CIO organizational disputes agreement.[1]
6. "To encourage all workers, without regard to race, creed, color, national origin or ancestry, to share equally in the full benefits of union organization in affiliated unions."
7. To protect the IUD from "all corrupt influences and from the undermining efforts of communist agencies."

Finances of IUD

The per capita tax to be paid the industrial union department is 2 cents per member per month. With a membership of 7,157,120, the department would secure some $1.7 million in revenue a year.

The AFL-CIO merger agreement also provides that the industrial union department "shall succeed to the balance of the assets of the Congress of Industrial Organizations, after all its liabilities, both accrued and potential, have been provided for." For the year ending September 30, 1955, the CIO had a net worth of $2,228,495.42. Of this total, $1,238,536 was turned over to the AFL-CIO, leaving approximately $1 million as the initial fund for the new industrial union department.

NEW ORGANIZING DRIVE?

A new organizing drive was pledged by the AFL-CIO. Chief targets are the white collar workers, the

[1] For the text, see "Handbook of Union Government, Structure and Procedures," *Studies in Personnel Policy*, No. 150, p. 115.

Makeup of the Industrial Union Department

The constitution of the new AFL-CIO federation establishes a "department of industrial organizations to be known as the Industrial Union Department." This new department had its first meeting on Wednesday, December 7. Joining the new department at that time were sixty-six unions representing 7,157,120 industrially unionized workers. Thirty-one CIO unions brought in a total membership of 4,528,144. To the surprise of many, thirty-five AFL unions joined the new department. And they brought in a total of 2,628,976 industrially unionized members.

The AFL-CIO constitution states that "an organization affiliated with one or more departments shall pay a per capita tax to each such department on the number of members whose occupation comes under such department." Therefore, many unions, especially those from the AFL, did not come into the IUD with their full membership. For example, the 50,000-member Office Employees International Union brought only 3,000 of its members—those who are industrially organized—into the IUD. On the other hand, the Teamsters wanted all their 1,400,000 members represented on the IUD. However, they were turned down in this request because the bulk of their membership is organized on a craft basis. The Teamsters were allowed IUD representation on only 400,000 members. However, there are five former CIO unions in the IUD which are, in reality, craft unions. These five organizations have full representation for all members—providing the per capita tax is paid on them. These unions, which only take in workers who follow one specialized trade, are the Amalgamated Lithographers, Marine Engineers, Barbers and Beauty Culturists, American Radio Association (marine radio officers) and the Transport Service Employees (railroad porters). Total IUD membership for these unions is 46,146.

The unions in the IUD and the number of industrially organized members they have brought into the new department are as follows:

Former CIO Unions	Members Represented
United Automobile, Aircraft and Agricultural Implement Workers of America	1,350,000
Barbers and Beauty Culturists Union of America	3,003

(box continued on next page)

International Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers	45,000
National Association of Broadcast Employees and Technicians	3,698
Amalgamated Clothing Workers of America	210,000
Communications Workers of America	249,043
International Union of Electrical, Radio and Machine Workers	301,000
United Furniture Workers of America	45,000
United Glass and Ceramic Workers of North America	40,937
Government and Civic Employees Organizing Committee	27,316
Insurance Workers of America	8,734
Leather Workers International Union	8,000
Amalgamated Lithographers of America	30,000
National Marine Engineers' Beneficial Association	8,563
Industrial Union of Marine and Shipbuilding Workers of America	26,955
National Maritime Union of America	40,000
Mechanics Educational Society of America	48,989
American Newspaper Guild	21,252
Oil, Chemical and Atomic Workers International Union	160,240
United Packinghouse Workers	117,535
United Paperworkers of America	40,002
American Radio Association	1,580
United Rubber, Cork, Linoleum and Plastic Workers of America	163,277
Retail, Wholesale and Department Store Union	97,034
United Shoe Workers of America	51,245
United Steelworkers of America	1,100,000
United Stone and Allied Products Workers of America	11,387
Textile Workers Union of America	202,500
United Transport Service Employees of America	3,000
Utility Workers Union of America	52,854
International Woodworkers of America	60,000
Total 31 CIO unions	4,528,144

Former AFL Unions	Members Represented
International Association of Machinists	450,000
United Brotherhood of Carpenters and Joiners of America	350,000
Office Employees International Union	3,000
United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada	50,000
International Brotherhood of Electrical Workers	275,000
Hotel and Restaurant Employees & Bartenders International Union	100,000
International Hod Carriers, Building and Common Laborers Union of America	60,000
International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America	400,000
Laundry Workers International Union	25,000
International Association of Bridge, Structural and Ornamental Ironworkers	55,000
International Union of Operating Engineers	52,000
United Textile Workers of America	48,730
Glass Bottle Blowers' Association of the United States and Canada	46,979
International Printing Pressmen and Assistants' Union of North America	40,000
Bakery and Confectionery Workers' International Union of America	35,000
United Cement, Lime and Gypsum Workers International Union	35,000
International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers	30,000
Distillery, Rectifying and Wine Workers International Union	25,528
United Brick and Clay Workers of America	23,423
Coopers International Union of North America	2,000
International Chemical Workers Union	77,000
American Federation of State, County and Municipal Employees	30,000
International Union of Doll and Toy Workers of the United States and Canada	15,000
Brotherhood of Painters, Decorators and Paperhangers of America	12,000
International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators of the United States and Canada	5,000
International Brotherhood of Firemen and Oilers	5,000
International Association of Marble, Slate and Stone Polishers, Rubbers and Sawyers, Tile and Marble Setters Helpers and Terrazzo Helpers	1,500
Upholsterers' International Union of North America	50,616
International Molders and Foundry Union of North America	66,000
American Flint Glass Workers	28,000
International Brotherhood of Operative Potters	26,000
Retail Clerks International Association	100,000
National Agricultural Workers Union	4,200
American Federation of Technical Engineers	2,000
Amalgamated Meat Cutters and Butcher Workmen of North America	100,000
Total 35 AFL unions	2,628,976
Total membership in IUD	7,157,120

petroleum and chemical industries and the retail distribution field. The AFL and CIO organizing staffs, after uniting as the AFL-CIO department of organization, will be thrown into the effort. John Livingston, a vice-president of the Automobile Workers, formerly CIO, is the head of the new department. And many former CIO unions, including the Automobile Workers and Steelworkers, have pledged an extra $1 per member to finance new efforts to organize the unorganized.

A wish to repeat the massive unionization drives of the Thirties and early Forties ran like a refrain through the first AFL-CIO convention. But outside of the AFL unions in the ready-made clothing industry, organizing impetus seemed to come mostly from former CIO unions. And, as already stated, it was these unions that pledged the money to finance the new drive. To bring in AFL support, the convention set up an organizing fund-raising committee. Walter Reuther spoke strongly in favor of heavy contributions to this fund, and he especially emphasized the white collar field. The motion to set up the organizing fund-raising committee was carried unanimously.

ETHICAL PRACTICES FOR LABOR

The AFL-CIO merger agreement provides that "the merged federation shall constitutionally affirm its determination to protect the American trade union movement from any and all corrupt influences and from the undermining efforts of communist agencies."

In his talk before the CIO's premerger convention, Walter Reuther struck out strongly against unethical practices in labor unions. He said that no one has a right to union leadership "if he is either a communist or a crook." Mr. Reuther received his greatest applause when he said that "making a fast buck" was not the standard for a good union leader. Many of the delegates shouted out the name of the man he was referring to.

The AFL-CIO convention strongly condemned racketeers in the labor movement. Moreover, a special watchdog ethical practices committee was set up to weed out racketeering elements in labor unions. Heading the committee is A. J. Hayes, president of the International Association of Machinists. Other members are Joseph Curran, president of the National Maritime Union, George M. Harrison, president of the Brotherhood of Railway Clerks, David Dubinsky, president of the International Ladies' Garment Workers, and Jacob S. Potofsky, president of the Amalgamated Clothing Workers.

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Incentive Pay Plans

(Continued from page 5)

2. Department repair and maintenance budget vs. actual repairs and maintenance.

3. Department scrap budget vs. actual scrap.

4. Department all other controllable expense budget vs. all other actual controllable expense.

5. Division portion of service division budget distribution vs. actual division portion of service division distribution.

The division total standard-budget is divided by the actual division total to produce a percentage of division effectiveness. This monthly percentage is compared to a predetermined published percentage, and points above quota are credited toward bonus earnings. Each plant or division will have its own percentage quota. Bonus earnings are computed on the basis of the division's three-month moving average, and payments are made in the month immediately following the three-month period in which the bonus is earned. Any errors in computation or payment are corrected within one month of payment.

For each percentage point above quota, 1% is added to the job-grade base in which the supervisor is classified. For example, a 70% quota with an 88% actual for three months will pay 18% of his job-grade base pay.

Large precision instruments company—To qualify for participation in the supervisory bonus plan, a supervisor's performance must be mathematically measurable and his status must be at least that of line supervisor, but not higher than department head. Also, the supervisor's department must have been in operation for at least six months. And for each quarter thereafter it must meet the following minimum schedule of performance: manufacturing, 85%; assembly, at least 50% of the *expected full schedule* for major designs produced in the department.

Methods of computing the bonus differ for department heads, line supervisors, codepartment heads and second-shift supervisors. The line supervisor earns bonus points based upon the performance of his department. His bonus equals hourly base pay times net total points.

The bonus is computed on the basis of six factors, each of which has a maximum point value:

Factor	Top Point Value
Production efficiency on rated jobs	30
Schedule	20
Budget	
Indirect labor	10
Supplies	10
Spoilage (scrap, rework & reinspection)	35
Methods improvement resulting in cost reduction	15
Housekeeping	5
Safety	5
Total	130

The factors are considered individually and the point values for each are computed by a separate mathematical formula. For instance, the point value for production efficiency on rated jobs is computed as follows:

"An expected production efficiency on rated jobs will be established for each department by the supervision bonus coordinator. This goal will be applicable for the entire year. Maximum points allowed are 30. Minimum is a penalty of −5.

"The goal will be established for each department on the basis of the following two factors:

"1. Departmental per cent efficiency for the preceding year.

"2. Average per cent efficiency of all departments participating in the bonus for the preceding year.

"In computing point values, the actual production efficiency on rated jobs minus the expected production efficiency on rated jobs times one-quarter point, times the number of employees will equal the total earned points. For each 1% improvement in efficiency, one-quarter point will be awarded.

"If the expected efficiency is not met, one-eighth of one point will be subtracted for each 1% drop in efficiency.

"Assuming that the minimum acceptable direct labor efficiency for a department had been established at 125% and the direct labor efficiency for the quarter was 128% and the number of employees in the department was thirty, the points earned for this factor will be computed as follows:

"Actual production efficiency on rated jobs minus expected production efficiency on rated jobs

"One-quarter point times number of employees equals earned points. (128% — 125%) ¼ x 30 = 22.5 points."

This bonus is computed on the basis of quarterly performance and is a percentage of the quarterly earnings of each supervisor—not to exceed 25% (130 points). The value of bonus points is related to the supervisor's salary and is equivalent to one hour's pay for each point earned. No reduction is made in base salary if net points developed are a minus figure.

Participation—Office and Factory

In companies that pay a Christmas or year-end bonus, supervisors usually participate as a group—the same or an equitable bonus going to those in the office as well as those in the plant. And this policy also applies in the case of formal profit-sharing plans, which usually include supervisors as members of the management or salary group. In the case of incentive bonus plans, however, participation is usually restricted to factory supervisors. This may be due to the fact that incentive plans are more common for hourly non-exempt factory personnel than they are for rank-and-file office personnel or because more satisfactory methods of performance measurement exist for factory operations than office operations.

In comparatively rare situations, however, a company may adapt its incentive bonus plan for factory supervisors to cover those in the office. Or it may set up a separate incentive plan designed exclusively for its office supervisors.

A food company that was surveyed, for instance, follows the latter procedure. It gives its supervisors having direct supervision over personnel in production or maintenance departments a weekly cash bonus "if the efficiency of the department warrants it." A number of its office supervisors, on the other hand, participate in one of several management incentive plans, no two of which are identical. "Incentive, for the most part, is on a percentage of yearly salary. The amount of incentive earned is based on an improvement in earnings over the earnings for a base period. The bonus is paid in cash at the end of the year."

Two of the companies in the survey operate under the "Scanlon plan" and allow their supervisors to participate in an over-all share-in-production efficiency bonus. In one case, both factory and office supervisors participate. In the other case, only factory supervisors participate in benefits. But a separate incentive profit-sharing plan for office supervisors rewards them for dollar savings through reduced costs. There is no ceiling on the amount payable, but neither is the bonus guaranteed.

Individual Company Incentive Plans for Supervisors

Brief descriptions of fifteen companies' incentive plans for supervisors are described here. They are accompanied, in all but one instance, with a statement by a company representative as to what he feels the company gains from the plan.

Chemical Companies

Co. 1—First-line supervisors who regularly supervise hourly employees on incentive are paid an incentive bonus based on the performance and the resulting cost savings of the hourly group supervised. Company gains are:

"1. Higher productivity of hourly employees
"2. Reduced costs
"3. Maintenance of salary differential between first-line supervisory and hourly employees."

Co. 2—Supervisors are eligible for cash bonuses in recognition of outstanding performances "above and beyond the call of duty. This would include special contributions such as a valuable invention, or a new and better way of conducting any facet of the business, etc." Company gains are:

"Increased incentive for supervisors to think about the broad aspects of their job and ways to improve methods."

Co. 3—Cost and quality-control plan in each department. Supervisor is paid up to 25% of base salary for exceptional performance measured against ideal costs and quality. Company gain:

"Better management of departments."

Machinery and Transportation Equipment

Co. 1—Pays a monthly "risk bonus" in the foundries, based on percentage of risk—that is ratio of good castings to bad castings—developed over a base period. All other departments have supervisors' bonus that is based chiefly on rate of production per manhour and this bonus is paid weekly. Company gain:

"Improved morale, since hourly paid employees are, for the most part, on incentive."

Co. 2—Supervisors are paid an incentive bonus based on their capacity and the efficiency of the department supervised. Company gain:

"Serves as an incentive to obtain greater production in department supervised."

Co. 3—Supervisors are paid a monthly incentive ranging up to 20% of base salary. Bonus is based on operating results of supervisors' departments as related to controllable costs. Company gains:

"Provides a basis for reviewing supervision's operating results and establishing budgets in addition to rewarding supervision for reduced costs."

Co. 4—Employees whose duties closely affect production receive a quarterly tonnage bonus based on a schedule of capacity output. For capacity output, individuals are placed in classes based on their possible effect on production. These classes earn from 10% to 35% of salary as a partial compensation for overtime work. Payments have varied from above to below capacity amount based on production volume. Company gain:

"Secures extra effort from supervisors to increase output and put in extra hours if necessary."

Co. 5—Foremen receive a daily production bonus based on production of freight cars. Number of cars produced over "line-up" (normal) determines amount of bonus.

Metals and Metal Products

Co. 1—Various bonuses and incentive plans in effect are usually based on departmental or unit performance. Payments are determined on cost savings, time savings, quantity and quality of performance above established minimums. Company gains:

"Increased production. Lower unit costs. Better morale and cooperation among employees."

Co. 2—Supervisors participate in a group bonus paid quarterly and based on the differential between the sales dollar and the manufacturing cost. Company gain:

"Increased incentive to control manufacturing costs."

Co. 3—Selected key first-line supervisors participate in a financial incentive based on salary rate and cost performance of the unit supervised. Company gain:

"Improved cost performance."

Co. 4—Bonus is paid on cost and production performance based on established formulas. Company gain:

"Lower costs per unit produced."

Co. 5—First-line supervisors receive a monthly bonus, the gross amount of which is a percentage of the dollar value of shipments for the month above the break-even point. Each supervisor's share in the "net pool" is determined by his labor grade. Company gain:

"The bonus amount available each month can be determined to a great extent by the collective performance of first-line supervisors and their departments. This gives them a continuous incentive to perform as efficiently as possible."

Precision Instruments Company

An indirect premium based on the efficiency of each foreman's department is paid weekly. It is computed by formulas based on actual production and direct and indirect costs which are compared to a budgeted standard. Company gains:

"Greater efficiency, improved production, higher earnings."

Textile Company

Supervisors are paid a "management premium" which can run as high as 20% of base salary. The bonus is based on the efficiency of the department's operations in terms of production costs. Company gain:

"Increased supervisory interest in the results of the operation he is supervising, which encourages him to plan his work to obtain the most efficient assignments, and also for him to aid deficient operators to improve their individual performance. Decreased costs are the final advantage to the company."

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Consumer Prices Unchanged in November

CONSUMER PRICES showed no change between mid-October and mid-November, 1955, according to THE CONFERENCE BOARD's United States index. The all-items index remains at 100.7 (1953=100), its highest point in two years.

The purchasing value of the November dollar continued at the year's low of 99.3 cents (1953 dollar=100 cents) which was 0.7 cent below its November, 1954, value.

Balancing movements among the components of the index were responsible for the unchanged all-items figure. A substantial advance of 1.6% in the transportation index and a slight increase of 0.1% in housing costs were offset by an 0.6% decline in food and a 0.1% decrease in apparel prices.

Changes in the Components

The food index dropped to 98.0, the lowest point since January, 1951. The drop in food prices over the month was mainly a result of continued declines in meat prices as supplies flooded the market. Beef was 1.1% cheaper than in the previous month, while pork dropped 5.1%. The largest decrease was recorded by fresh pork, but pork products such as bacon, ham and picnics also followed the downward trend. These processed products are usually slower to react to price changes than fresh meats. Poultry prices took a dip of 4.5% over the month, while fish remained steady.

Lesser decreases were recorded by the cereal and bakery products index (down 0.4%) as flour and rice were slightly cheaper. All other food categories recorded modest increases. The dairy products and eggs index was up 0.3%, as milk, butter and cheese prices moved slightly higher. Vegetables and fruits also showed a 0.3% increase. Fresh vegetables and canned fruits and vegetables rose even though potato prices were still moving down. Fresh fruits were down 0.9% as autumn crops appeared on the market. The "other food at home" group showed a fractional increase of 0.1% as higher prices for coffee and sugar were partly offset by slightly lower prices for tea and margarine.

The fractional 0.1% advance in housing costs was a result of scattered increases in all parts of this index. Rent was up 0.1%; fuel, power and water rose 0.3%. Increases were recorded for solid and liquid fuels, while gas rates also advanced. Furnishings and equipment were up 0.2% and household supplies and services moved 0.1% higher.

Apparel costs were slightly lower this month as an 0.3% decline in women's clothing was almost balanced by advances in the cost of men's apparel and materials and services.

The transportation index moved up substantially as the higher-priced 1956 cars appeared on the market. This increase, combined with slightly higher public transportation rates, resulted in a 1.6% advance for the transportation index.

Sundries remained unchanged, as small advances in medical and personal care were cancelled out by small decreases in other parts of the index. Higher prices for television sets were more than offset by lower ones for sporting goods and movie admissions.

Changes from a Year Ago

Compared with a year ago, consumer prices were up 0.7%. November was the third consecutive month in which prices were above the corresponding 1954 level. Increases were recorded by all the major components of the index with the exception of food, which was down 0.6% from a year ago. This was the result of a 3.2% decrease in the meat, fish and poultry index and a 4.5% drop in the "other food at home" group. Meat prices declined continuously during the year as record supplies combined with low feed costs to depress price levels. The drop in the "other food at home" group reflected the retreat of coffee prices to more normal levels. Dairy products and eggs were up 3.3% as egg prices recovered from the previous year's record low. Vegetables and fruits were 1.7% above November, 1954. Prices for both canned and frozen fruits and vegetables inched up steadily during the year, while fresh fruits and vegetables also remained above 1954 levels. Cereals and bakery products showed an 0.7% increase from a year ago.

Housing costs rose 1.0% during the year reflecting substantial increases of 1.2% in rent, 2.2% in fuel, power and water and 1.0% in other household operations. A lesser increase was recorded by the furnishings and equipment group which was up 0.2%. The advance in the fuel index mainly resulted from a 3.4% increase in gas rates.

Apparel was 0.3% higher as men's clothing moved up 0.3% and materials and services 1.6%. Women's apparel, on the other hand, was 0.2% lower.

The transportation index showed the greatest advance from a year ago; it was up 2.7%. This hefty

Consumer Price Index—United States

Cities over 50,000 in population

1953 = 100

	ALL ITEMS	FOOD: Total	FOOD: Meat, Fish, Poultry	FOOD: Cereal, Bakery Products	FOOD: Dairy Products, Eggs	FOOD: Fruits, Vegetables	FOOD: Other Food at Home	HOUSING: Total	HOUSING: Rent	HOUSING: Fuel, Power, Water: Total	HOUSING: Fuel, Power, Water: Gas	HOUSING: Fuel, Power, Water: Electricity
1954 May	100.4	100.4	100.0	103.1	91.4	99.5	112.3	100.8	104.0	101.2	104.3	100.9
June	100.3	100.3	99.5	103.0	90.4	99.7	113.7	100.8	104.1	101.2	104.2	100.9
July	100.5	100.8	98.9	103.0	91.9	101.0	114.6	100.7	104.5	100.0	101.7	100.9
August	100.4	100.3	98.0	103.3	93.4	98.3	114.6	100.7	104.7	100.0	101.4	101.1
September	100.3	99.6	97.0	103.3	94.0	96.9	112.9	100.8	104.8	100.2	101.4	101.0
October	100.0	98.8	94.8	103.4	94.3	96.5	112.2	101.0	105.2	101.0	101.5	101.0
November	100.0	98.6	94.7	103.7	94.6	96.4	110.6	101.0	105.3	100.7	101.5	101.0
December	99.8	97.9	93.7	104.0	93.5	95.5	110.5	101.1	105.3	101.1	101.6	101.0
Annual Average	100.2	99.5	97.7	103.2	94.2	97.0	110.7	100.9	104.3	101.1	102.7	100.7
1955 January	99.9	98.2	94.3	104.0	92.8	97.1	110.2	101.2	105.5	102.7	104.8	100.9
February	99.9	98.2	94.4	104.2	93.6	97.4	108.8	101.2	105.5	103.1	105.2	100.9
March	100.1	98.4	94.1	104.3	94.2	99.1	107.5	101.3	105.7	103.3	105.6	101.0
April	100.1	98.3	94.3	104.3	93.0	100.7	106.5	101.5	105.8	103.5	106.5	101.1
May	100.2	98.4	94.0	104.4	91.7	104.1	105.7	101.4	105.8	102.9	106.5	101.1
June	100.2	98.3	94.6	104.4	91.5	103.5	104.6	101.4	105.8	102.7	106.7	101.2
July	100.3	98.6	94.9	104.6	92.4	103.6	104.6	101.2	106.2	101.4	103.9	101.6
August	100.3	98.2	94.5	104.7	94.5	99.1	104.7	101.5	106.2	101.8	104.2	101.7
September	100.5	98.5	94.9	104.8	96.4	97.4	105.1	101.6	106.3	102.1	104.5	101.7
October	100.7	98.6	94.0	104.8	97.4	97.7	105.5	101.9	106.5	102.6	104.5	101.8
November	100.7	98.0	91.7	104.4	97.7	98.0	105.6	102.0	106.6	102.9	105.0	101.8

	HOUSING (continued): Furnishings, Equipment	HOUSING (continued): Other Household Operations	APPAREL: Total	APPAREL: Men's Apparel	APPAREL: Women's Apparel	TRANSPORTATION	SUNDRIES	PURCHASING VALUE OF DOLLAR	REBASED INDEXES: All Items (January 1939=100)	REBASED INDEXES: Purchasing Value of January, 1939 Dollar	REBASED INDEXES: All Items (1947-49 = 100)
1954 May	98.8	100.5	99.2	99.6	99.0	99.4	100.9	99.6	182.3	54.9	114.3
June	98.5	100.2	99.1	99.4	98.8	99.6	100.9	99.7	182.1	54.9	114.2
July	98.6	100.2	98.9	99.4	98.5	100.2	100.9	99.5	182.5	54.8	114.4
August	98.5	100.3	99.0	99.4	98.6	100.4	101.0	99.6	182.3	54.9	114.3
September	98.6	100.4	99.0	99.5	98.6	100.5	101.1	99.8	182.1	54.9	114.2
October	98.6	100.4	99.0	99.4	98.6	100.1	101.1	100.0	181.6	55.1	113.8
November	98.7	100.5	99.0	99.4	98.6	100.2	101.2	100.0	181.6	55.1	113.8
December	98.6	100.5	98.9	99.3	98.5	99.9	101.3	100.2	181.2	55.2	113.6
Annual Average	98.9	100.3	99.2	99.5	98.9	100.1	101.0	99.8	182.0	54.9	114.1
1955 January	98.3	100.5	98.8	99.3	98.3	100.0	101.3	100.1	181.5	55.1	113.7
February	98.0	100.5	98.8	99.3	98.2	100.1	101.3	100.1	181.5	55.1	113.8
March	98.1	100.7	98.9	99.2	98.4	100.3	101.3	100.0	181.7	55.0	113.9
April	98.3	100.7	98.9	99.2	98.4	100.2	101.5	99.9	181.8	55.0	113.9
May	98.2	100.8	98.8	99.2	98.3	100.4	101.6	99.8	181.9	55.0	114.0
June	98.2	100.6	98.8	99.2	98.2	101.3	101.8	99.8	182.1	54.9	114.1
July	98.0	100.7	98.9	99.2	98.2	100.5	102.1	99.7	182.1	54.9	114.1
August	98.3	101.0	99.2	99.6	98.5	100.6	102.3	99.7	182.2	54.9	114.2
September	98.4	101.2	99.3	99.7	98.6	100.9	102.6	99.5	182.5	54.8	114.4
October	98.7	101.4	99.4	99.6	98.7	101.3	102.7	99.3	182.9	54.7	114.6
November	98.9	101.5	99.3	99.7	98.4	102.9	102.7	99.3	182.9	54.7	114.7

Consumer Price Index—United States

Annual average 1914-1954[a]

1953 = 100

Year	All Items	Purchasing Value of Dollar	Year	All Items	Purchasing Value of Dollar	Year	All Items	Purchasing Value of Dollar	Year	All Items	Purchasing Value of Dollar
1914	40.3	248.1	1925	67.8	147.5	1935	53.6	186.6	1945	70.2	142.5
1915	40.0	250.0	1926	68.3	146.4	1936	54.8	182.5	1946	74.9	133.5
1916	43.0	232.6	1927	66.9	149.5	1937	57.2	174.8	1947	84.7	118.1
1917	51.3	194.9	1928	65.9	151.7	1938	55.7	179.5	1948	90.1	111.0
1918	59.5	168.1	1929	65.6	152.4	1939	55.0	181.8	1949	88.8	112.6
1919	67.6	147.9	1930	63.4	157.7	1940	55.4	180.5	1950	90.0	111.1
1920	77.8	128.5	1931	57.0	175.4	1941	58.3	171.5	1951	97.0	103.1
1921	66.8	149.7	1932	50.9	196.5	1942	64.5	155.0	1952	99.5	100.5
1922	63.6	157.2	1933	49.0	204.1	1943	68.2	146.6	1953	100.0	100.0
1923	65.4	152.9	1934	51.8	193.1	1944	69.1	144.7	1954	100.2	99.8
1924	66.1	151.3									

[a] Indexes from 1914 through 1919 are for the month of July only and are not annual averages.

Consumer Price Index

1953 = 100

These indexes show changes in consumer indexes only. They do NOT show intercity differences in price level or standards of living.

Cities Surveyed Monthly

	Index Numbers 1953 = 100			Percentage Changes	
	Nov. 1955	Oct. 1955	Nov. 1954	Oct. 1955 to Nov. 1955	Nov. 1954 to Nov. 1955
Chicago					
All Items	103.3	103.7	101.8	−0.4	+1.5
Food	99.4	100.1	100.1	−0.7	−0.7
Housing	107.8	107.9	104.5	−0.1	+3.2
Apparel	100.8	101.3	99.3	−0.5	+1.5
Transportation	102.9	102.9	101.2	0	+1.7
Sundries	104.4	104.6	102.1	−0.2	+2.3
Houston					
All Items	101.5	100.7	99.8	+0.8	+1.7
Food	99.3	100.0	98.1	−0.7	+1.2
Housing	101.7	101.2	101.1	+0.5	+0.6
Apparel	99.2	99.3	99.7	−0.1	−0.5
Transportation	106.8	100.8	99.9	+6.0	+6.9
Sundries	101.9	101.7	100.3	+0.2	+1.6

	IndexNumbers 1953 = 100			Percentage Changes	
	Nov. 1955	Oct. 1955	Nov. 1954	Oct. 1955 to Nov. 1955	Nov. 1954 to Nov. 1955
Los Angeles					
All Items	99.2	99.7	99.1	−0.5	+0.1
Food	94.4	96.4	95.8	−2.1	−1.5
Housing	101.1	100.8	100.1	+0.3	+1.0
Apparel	99.3	99.5	99.7	−0.2	−0.4
Transportation	100.7	100.7	101.4	0	−0.7
Sundries	102.1	102.1	100.2	0	+1.9
New York					
All Items	100.3	100.6	100.6	−0.3	−0.3
Food	96.9	97.9	98.7	−1.0	−1.8
Housing	102.1	102.1	101.6	0	+0.5
Apparel	98.0	97.8	97.8	+0.2	+0.2
Transportation	108.6	108.6	108.0	0	+0.6
Sundries	101.6	101.8	101.0	−0.2	+0.6

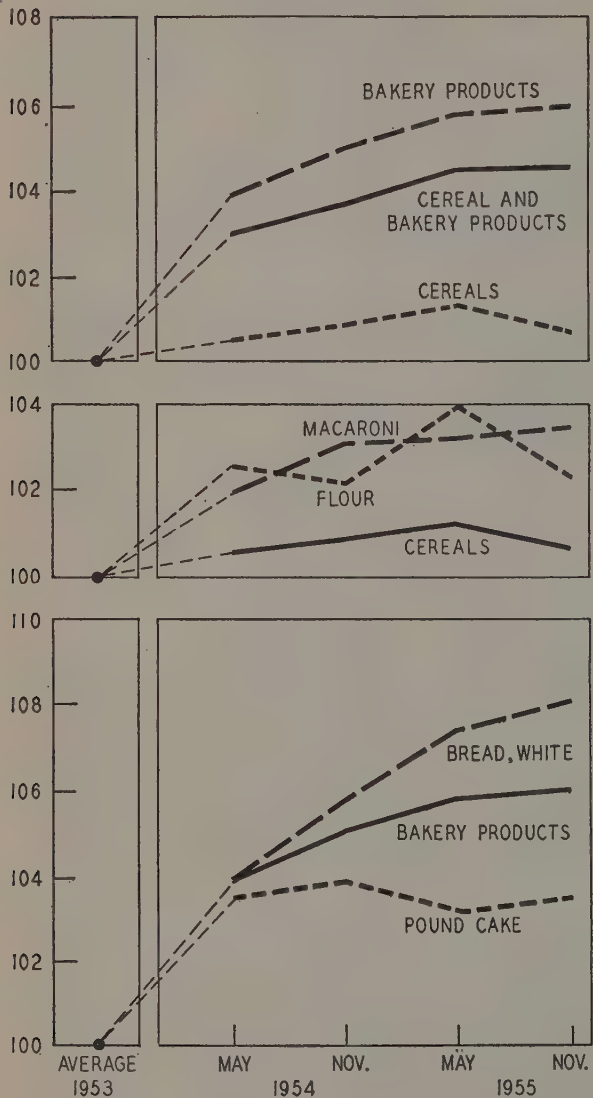
Cities Surveyed Quarterly

	Index Numbers 1953 = 100			Percentage Changes	
	Nov. 1955	Aug. 1955	Nov. 1954	Aug. 1955 to Nov. 1955	Nov. 1954 to Nov. 1955
Akron					
All Items	101.2	100.1	100.2	+1.1	+1.0
Food	97.6	98.7	99.9	−1.1	−2.3
Housing	102.7	101.4	101.3	+1.3	+1.4
Apparel	98.3	97.7	98.2	+0.6	+0.1
Transportation	108.0	101.1	98.0	+6.8	+10.2
Sundries	101.9	100.7	101.4	+1.2	+0.5
Baltimore					
All Items	100.6	99.6	100.1	+1.0	+0.5
Food	96.6	97.6	98.7	−1.0	−2.1
Housing	101.2	100.6	100.3	+0.6	+0.9
Apparel	100.4	100.5	101.3	−0.1	−0.9
Transportation	106.9	98.0	99.2	+9.1	+7.8
Sundries	102.3	101.5	101.9	+0.8	+0.4
Boston					
All Items	100.3	99.6	99.1	+0.7	+1.2
Food	97.2	98.5	97.5	−1.3	−0.3
Housing	101.1	100.7	100.3	+0.4	+0.8
Apparel	98.8	97.6	98.0	+1.2	+0.8
Transportation	103.2	97.0	96.3	+6.4	+7.2
Sundries	103.3	102.3	101.8	+1.0	+1.5
Chattanooga					
All Items	99.9	99.0	98.5	+0.9	+1.4
Food	95.4	95.4	96.2	0	−0.8
Housing	100.3	100.4	99.5	−0.1	+0.8
Apparel	100.6	98.8	98.3	+1.8	+2.3
Transportation	106.4	101.5	99.1	+4.8	+7.4
Sundries	102.9	101.8	101.0	+1.1	+1.9
Dallas					
All Items	100.7	99.2	99.5	+1.5	+1.2
Food	97.9	97.4	98.3	+0.5	−0.4
Housing	100.6	100.0	99.8	+0.6	+0.8
Apparel	98.7	98.7	99.2	0	−0.5
Transportation	105.1	98.4	98.2	+6.8	+7.0
Sundries	102.4	101.4	102.1	+1.0	+0.3
Detroit					
All Items	102.1	100.8	100.1	+1.3	+2.0
Food	99.3	98.4	98.6	+0.9	+0.7
Housing	103.1	102.4	101.4	+0.7	+1.7
Apparel	99.3	100.0	99.1	−0.7	+0.2
Transportation	106.8	100.6	99.1	+6.2	+7.8
Sundries	103.5	102.7	101.6	+0.8	+1.9

	Index Numbers 1953 = 100			Percentage Changes	
	Nov. 1955	Aug. 1955	Nov. 1954	Aug. 1955 to Nov. 1955	Nov. 1954 to Nov. 1955
Duluth—Superior					
All Items	101.4	101.0	100.8	+0.4	+0.6
Food	98.5	99.6	99.3	−1.1	−0.8
Housing	102.4	102.2	102.2	+0.2	+0.2
Apparel	98.3	98.6	98.1	−0.3	+0.2
Transportation	106.7	101.8	102.0	+4.8	+4.6
Sundries	102.1	102.0	101.3	+0.1	+0.8
Richmond					
All Items	101.3	100.6	99.8	+0.7	+1.5
Food	97.4	98.7	98.1	−1.3	−0.7
Housing	102.0	101.8	100.8	+0.2	+1.2
Apparel	100.4	98.8	99.1	+1.6	+1.3
Transportation	106.5	100.5	99.8	+6.0	+6.7
Sundries	103.1	103.0	101.2	+0.1	+1.9
Rochester					
All Items	101.4	100.7	99.8	+0.7	+1.6
Food	99.9	100.5	99.9	−0.6	0
Housing	100.4	100.2	99.9	+0.2	+0.5
Apparel	98.7	98.9	99.4	−0.2	−0.7
Transportation	106.5	100.0	99.3	+6.5	+7.3
Sundries	103.5	103.2	100.2	+0.3	+3.3
St. Louis					
All Items	100.5	99.9	99.1	+0.6	+1.4
Food	97.6	96.9	97.2	+0.7	+0.4
Housing	101.1	100.7	100.7	+0.4	+0.4
Apparel	99.6	99.3	99.5	+0.3	+0.1
Transportation	106.3	103.4	97.1	+2.8	+9.5
Sundries	100.8	101.5	100.6	−0.7	+0.2
San Francisco					
All Items	101.7	101.1	100.9	+0.6	+0.8
Food	98.8	98.7	99.3	+0.1	−0.5
Housing	102.5	102.4	101.9	+0.1	+0.6
Apparel	99.9	99.8	99.4	+0.1	+0.5
Transportation	104.9	100.6	101.1	+4.3	+3.8
Sundries	103.5	103.6	102.5	−0.1	+1.0
Wilmington					
All Items	100.7	100.0	99.4	+0.7	+1.3
Food	95.8	96.0	96.6	−0.2	−0.8
Housing	101.9	101.3	101.2	+0.6	+0.7
Apparel	99.6	99.6	98.9	0	+0.7
Transportation	106.1	100.9	99.4	+5.2	+6.7
Sundries	103.4	103.4	101.1	0	+2.3

Price Movements of the Cereal and Bakery Products Group

Index Numbers: 1953=100



increase was caused by continuous advances in public transportation and automobile upkeep, followed by higher prices for the 1956 cars. Sundries was up 1.5%, with services accounting for most of the rise.

What Cereals Did

The accompanying charts illustrate the price movements during the last two years of the cereal and bakery products index as well as some representative items within that group. The movement of the index as a whole is characteristic of the slow upward price trend of the last two years. After an initial 3.1% increase in the beginning of 1954, prices moved steadily upward to reach a level 4.4% above 1953 in the last month charted—November, 1955. The largest increase by far was recorded by the bakery products group, which was 6% above 1953 in November, 1955. One of the principal items in this group, white bread, was fully 8% higher in November, 1955, than it was in 1953. However, the bulk of the increase occurred during 1954. In the spring of that year, bread prices moved up 3.9%, and they were up another 1.8% by November. On the other hand, pound cake, another representative item, was much more stable. Prices increased 3.5% in the spring of 1954, fluctuated slightly during the next year and a half, and were only 0.1% below May, 1954, in November, 1955.

Cereal products as a whole showed a slight deviation from the general trend. Whereas prices for bakery products moved up steadily to May, 1955, and then levelled off, cereal product prices actually turned down during the last half of 1955. The whole group moved up steadily for the first year and a half to taper off to 0.6% above the 1953 level in November, 1955. Flour prices were up 2.6% at the beginning of 1954, then declined slightly in the fall and were up again in the spring of 1955. But by November, they had again declined to a fraction above the November, 1954, level. Macaroni, on the other hand, exhibited the stable behavior which is usual for most processed foods. Prices for this item again followed the slow upward trend. The fact that the two items charted for the cereal product group both lie above the total group is explained by the extremely stable price behavior of all other items within that group.

HELEN BACHNER
Statistical Division

Control of Meetings

(Continued from page 10)

amination of each idea as it is presented, the members cut and mold all contributions. Many people call this "real listening," as opposed to simply pushing to get one's own views before the group regardless of what has been said before.

The third job of the conferee is to stick to the facts and to be as objective as humanly possible. He must do his best to eliminate the heat of emotion in favor of a calm deliberation of the facts of the case. Opinion must be recognized as such and weighed accordingly.

When those who plan meetings and those who lead meetings as well as those who attend meetings understand the difficulties which may arise and take steps to prevent them, few people would disagree that meetings can be made much more effective.

GEORGE V. MOSER
Division of Personnel Administration

Significant Labor Statistics

Item	Unit	1955 Nov.	October	Sept.	August	July	June	May	Year Ago	Percentage Change: Latest Month over Previous Month	Latest Month over Year Ago
Consumer Price Indexes											
All Items	1953 = 100	100.7	100.7	100.5	100.3	100.3	100.2	100.2	100.0	0	+0.7
Food	1953 = 100	98.0	98.6	98.5	98.2	98.6	98.3	89.4	98.6	−0.6	−0.6
Housing	1953 = 100	102.0	101.9	101.6	101.5	101.2	101.4	101.4	101.0	+0.1	+1.0
Apparel	1953 = 100	99.3	99.4	99.3	99.2	98.9	98.8	98.8	99.0	−0.1	+0.3
Transportation	1953 = 100	102.9	101.3	100.9	100.6	100.5	101.3	100.4	100.2	+1.6	+2.7
Sundries	1953 = 100	102.7	102.7	102.6	102.3	102.1	101.8	101.6	101.2	0	+1.5
Purchasing Value of Dollar	1953 dollars	99.3	99.3	99.5	99.7	99.7	99.8	99.8	100.0	0	−0.7
(*BLS*) All Items	1947-1949 = 100	115.0	114.9	114.9	114.5	114.7	114.4	114.2	114.6	0	+0.3
Employment Status [1]											
Civilian labor force	thousands	67,206	67,292	66,882	67,725	67,465	66,696	65,192	64,624	−0.1	+4.0
Employed	thousands	64,807	65,161	64,733	65,488	64,995	64,016	62,703	61,731	−0.5	+5.0
Agriculture	thousands	6,920	7,905	7,875	7,536	7,704	7,681	6,963	6,154	−12.5	+12.4
Nonagricultural industries	thousands	57,887	57,256	56,858	57,952	57,291	56,335	55,740	55,577	+1.1	+4.2
Unemployed	thousands	2,398	2,131	2,149	2,237	2,471	2,679	2,489	2,893	+12.5	−17.1
Index of unemployment*	1947-1949 = 100	103	105	96	97	91	99	107	—	−1.9	—
Wage Earners [2, 3]											
Employees in nonagr'l establishm'nts	thousands	*p* 50,608	*r* 50,461	*r* 50,322	49,858	49,420	49,508	48,918	48,808	+0.3	+3.7
Manufacturing	thousands	*p* 17,084	*r* 16,985	*r* 16,915	16,807	16,475	16,577	16,334	16,057	+0.6	+6.4
Mining	thousands	*p* 753	*r* 750	758	754	749	760	742	749	+0.4	+0.5
Construction	thousands	*p* 2,568	*r* 2,682	*r* 2,748	2,746	2,701	2,615	2,526	2,598	−4.3	−1.2
Transportation and public utilities	thousands	*p* 4,142	*r* 4,143	*r* 4,152	4,137	4,113	4,081	3,997	3,986	0	+3.9
Trade	thousands	*p* 11,082	*r* 10,906	*r* 10,824	10,638	10,633	10,643	10,534	10,745	+1.6	+3.1
Finance	thousands	*p* 2,209	*r* 2,212	*r* 2,223	2,241	2,237	2,206	2,171	2,134	−0.1	+3.5
Service	thousands	*p* 5,693	*r* 5,729	5,791	5,818	5,816	5,775	5,733	5,622	−0.6	+1.3
Government	thousands	*p* 7,077	*r* 7,054	6,911	6,717	6,696	6,851	6,881	6,917	+0.3	+2.3
Production and related workers in mfg. employment											
All manufacturing	thousands	*p* 13,535	*r* 13,442	*r* 13,373	13,262	12,951	13,086	12,882	12,657	+0.7	+6.9
Durable	thousands	*p* 7,885	*r* 7,726	7,623	7,553	7,499	7,630	7,530	7,198	+2.1	+9.5
Nondurable	thousands	*p* 5,650	*r* 5,716	*r* 5,750	5,709	5,452	5,456	5,352	5,459	−1.2	+3.5
Average weekly hours											
All manufacturing	number	*p* 41.2	*r* 41.1	40.9	40.6	40.4	40.7	40.8	40.2	+0.2	+2.5
Durable	number	*p* 42.0	*r* 41.7	41.5	41.1	40.9	41.3	41.6	40.8	+0.7	+2.9
Nondurable	number	*p* 40.1	*r* 40.3	40.2	39.9	39.7	39.9	39.6	39.5	−0.5	+1.5
Average hourly earnings											
All manufacturing	dollars	*p* 1.93	1.91	1.90	1.88	1.89	1.87	1.87	1.83	+1.0	+5.5
Durable	dollars	*p* 2.05	2.04	2.03	2.01	2.01	1.99	1.99	1.94	+0.5	+5.7
Nondurable	dollars	*p* 1.74	1.72	1.72	1.70	1.71	1.70	1.70	1.67	+1.2	+4.2
Average weekly earnings											
All manufacturing	dollars	*p* 79.52	*r* 78.50	77.71	76.33	76.36	76.11	76.30	73.57	+1.3	+8.1
Durable	dollars	*p* 86.10	*r* 85.07	84.25	82.61	82.21	82.19	82.78	79.15	+1.2	+8.8
Nondurable	dollars	*p* 69.77	*r* 69.32	69.14	67.83	67.89	67.83	67.32	65.97	+0.6	+5.8
Straight time hourly earnings (estimated)											
All manufacturing	dollars	*p* 1.86	1.84	1.83	1.83	1.82	1.81	1.81	1.78	+1.1	+4.5
Durable	dollars	*p* 1.96	1.96	1.95	1.94	1.94	1.91	1.91	1.88	0	+4.3
Nondurable	dollars	*p* 1.69	1.67	1.67	1.66	1.67	1.66	1.66	1.63	+1.2	+3.7
Turnover Rates in Manufacturing [2]											
Separations	per 100 employees	*p* 3.0	*r* 3.5	4.4	4.0	3.2	3.2	3.2	3.7	−14.3	−18.9
Quits	per 100 employees	*p* 1.5	1.8	2.8	2.2	1.6	1.5	1.5	1.0	−16.7	+50.0
Discharges	per 100 employees	*p* 0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0	+50.0
Layoffs	per 100 employees	*p* 1.1	1.1	1.1	1.3	1.1	1.2	1.1	2.3	0	−52.2
Accessions	per 100 employees	*p* 3.3	*r* 4.1	4.4	4.5	3.4	4.3	3.8	2.8	−19.5	+17.9

[1] Bureau of the Census.
[2] Bureau of Labor Statistics.
[3] The BLS has adjusted its non-farm employment and hours and earnings series to first quarter 1954 benchmark levels. The benchmark level is the total count of workers covered in each industry, and in this instance the data were received from government social insurance programs. The adjustment affects all figures since January, 1951.

p Preliminary *r* Revised
*This index of unemployment is a seasonally adjusted index and provides a measure of unemployment from which seasonal fluctuations have been removed insofar as possible.

Wage Settlement Highlights

All of the confirmed settlements grant wage increases, and a high proportion show gains to salaried workers

THE UPWARD PUSH in wages is apparent from the settlements confirmed by THE CONFERENCE BOARD during the mid-November to mid-December period. The sixty confirmed settlements selected for tabulation grant wage increases which average 9 cents per hour. Only two of these show increases of less than 5 cents, while better than half show increases of 7 cents or more per hour. Thirty settlements involve benefits to salaried employees; six establish supplemental unemployment benefits to wage earners.

Supplemental Unemployment Benefits

Variations on the auto industry pattern appear in some of this month's settlements. In addition to supplemental unemployment benefits, these settlements grant wage increases of 6 cents per hour plus a 2.5% annual improvement factor, cost of living clause improvements, and improved pension and insurance benefits. A job security clause is also included in the Ex-Cell-O Corporation's pact. This is designed to protect the worker against loss of job in the event of transfer of work from one plant to another. Ex-Cell-O workers in Detroit and Traverse City, Michigan, and in Lima and Fostoria, Ohio, are covered by this agreement.

Another variation in contracts containing SUB plans is seen in the E. W. Bliss Company contract which sets aside 5 cents per man-hour in an escrow fund. If the company and union fail to agree on a definite plan, the money in the fund will be disbursed to employees as wages.

Modified to suit Canadian conditions, the agreement between Massey-Harris-Ferguson Limited and the United Automobile, Aircraft and Agricultural Implement Workers also follows the Ford plan. Company contributions into the fund do not begin until September, 1956; benefits will become payable the following year. A wage increase of 5 cents per hour, company-paid insurance and welfare plans, extended vacations and increased shift differentials are the added items in the Canadian settlement.

The SUB plan negotiated by American Can Company and the International Association of Machinists is substantially the same as the one agreed upon by the company and the United Steelworkers last September. Providing a maximum payment to the laid-off worker of 65% of take-home pay, the agreement also provides for lump-sum "substitute benefits" in the event that state laws or rulings prevent private supplementation of state benefits. Also, the agreement provides wage increases, including general and area adjustments, which range from 10 cents to 15 cents per hour. These increases are in addition to a wage curve adjustment, ranging from zero at the lower end of the structure to 5 cents at the upper end. An improved pension plan, which provides for early retirement, joint survivorship arrangements, and deferred vested retirement, completes the American Can agreement. Some 2,300 Machinists located in sixteen plants throughout the country are covered.

Salaried Employees

Significant among the settlements involving salaried employees is the five-year pact between Westinghouse Electric Corporation and the Federation of Westinghouse Independent Salaried Unions. For employees on a forty-hour week, a 3% wage increase is granted, with a minimum boost of $1.80 for employees paid on a weekly basis, and $7.80 for employees paid monthly. This is in addition to increases in the base rate which range from 20 cents to $4.80 per week for employees on a forty-hour weekly schedule, and from 85 cents to $20.80 per month for those paid monthly. Proportionately smaller increases in base rates are granted to salaried employees on a weekly schedule of less than forty hours. Additional 3% deferred increases will become effective on contract anniversary dates.

On the fringe side, a cost of living clause is incorporated, and improvements have been made in pension, insurance, and vacation allowances. The contract covers approximately 14,000 salaried employees.

By way of contrast to the unionized salaried workers at Westinghouse, nonunion employees with a base salary of less than $650 per month at Bendix Aviation were granted an increase of approximately 2.5%. Improved pension and insurance plans, plus an added holiday, extended vacations, and an increased cost of living allowance complete the package. This, presumably, brings the company's nonunion salaried workers' benefits in line with the benefits negotiated with the UAW.

(Text continued on page 38)

Wage Adjustments Announced Prior to December 15, 1955

Company and Union(s)	No. and Type of Employees; Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Chemical and Allied Products				
E. I. du Pont de Nemours and Company, Inc. Niagara Falls, N. Y. *Niagara Plant Employees, ind.*	1,867 WE 111 S 10-17-55 WE 10-1-55 S	\$.07 per hr.—WE 2.7%—S	None	Result of wage reopening
Geigy Chemical Corp. Alrose Chemical Div. Cranston, R. I. *Textile Workers, AFL-CIO*	135 WE 11-1-55	5.4%, plus 3% add'l effective 11-1-56	1 add'l pd. hol.	Result of wage reopening
B. F. Goodrich Chemical Co. Louisville, Ky. *Distillery Workers, Pipe Fitters and Machinists (all AFL-CIO)—WE* *No union—S*	780 WE 200 S 10-29-55 WE 11-1-55 S	7%	None	Result of wage reopening. Contract expires 11-11-56
Goodyear Atomic Corporation Portsmouth, Ohio *Oil, Chemical and Atomic Workers, AFL-CIO—WE* *No union—S*	1,411 WE 1,286 S 10-31-55 WE 11-1-55 S	\$.125 per hr.—WE; 5% or \$21 per mo. whichever is greater—S	(1) Improved overtime provisions (2) Severance extended to include termination due to illness	Result of wage reopening. Contract expires 4-29-57—WE; company policy to grant similar increase—S.
Nixon Nitration Works Nixon, N. J. *Mine, Mill and Smelter Workers, ind.*	225 WE 30 S 10-1-55	\$.10 per hr.	1 add'l pd. hol.	Result of contract expiration. Contract term—1 yr.
Rohm and Haas Company Bristol, Pa. *Glass and Ceramic Workers, AFL-CIO*	1,524 WE 11-14-55	1.25%, plus 3% add'l effective 2-13-56 and 2-11-57	Liberalized sickness and accident benefits	Result of contract expiration. Contract expires 2-27-58
Stauffer Chemical Company Bayonne, N. J. *District 50, UMWA, ind.*	*n.a.* 10-7-55	\$.07 per hr., plus \$.07 add'l effective 10-7-56	None	Result of contract expiration. Contract term—2 yrs.
Communications				
Chesapeake and Potomac Telephone Co. Maryland and Washington, D. C. *Communications Workers, AFL-CIO*	11,087 WE & S 10-30-55 & 11-6-55	\$2.50 to \$4.50 per wk.—WE \$2.50 per wk.—S	(1) Burial expense incr. from max. of \$250 to \$500 (1) Accidental death benefits max. incr. from \$10,000 to \$30,000 (Md. agreement only)	Result of contract expiration. Contract term—1 yr.
Southwestern Bell Telephone Co. Ark., Kan., Mo., Okla. and Texas *Communications Workers, AFL-CIO*	51,000 WE & S 10-30-55	\$2.50 to \$5 per wk.—WE \$2 to \$3 per wk.—S	(1) Improved funeral leave (2) Incr. burial expense allowance (3) Incr. shift differentials (4) Improved working hrs. for night duty	Result of contract expiration. Contract term—1 yr.
Electrical Machinery, Equipment and Supplies				
American Motors Corporation Kelvinator Plant Detroit, Mich. *Mechanics Educational Society, AFL-CIO*	1,200 WE 6-1-55 (signed 11-18-55)	\$.06 per hr. or 2.5% plus \$.08 per hr. add'l for skilled trades	(1) 1 add'l pd. hol. (2 half days) (2) Pensions incr. from \$1.75 to \$2.25 per mo. for ea. yr. of credited service (3) Improved ins. program effective 7-1-56 (4) 3rd shift premium 10% (5) Improved vacation for employees with from 10 to 15 yrs.' service	Result of contract expiration. Contract term—3 yrs.

Wage Adjustments Announced Prior to December 15, 1955—Continued

Company and Union(s)	No. and Type of Employees; Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Century Electric Company St. Louis, Mo. *IUE, AFL-CIO—WE* *No union—S*	2,000 WE 460 S 10-8-55	\$.03 per hr., plus \$.02 per hr. add'l effective 1-8-56—WE; \$10 to \$15 per mo. to nonexempt S; \$22.50 per mo. to exempt S	8 hrs.' funeral leave on death in immediate family	Result of wage reopening. Contract expires 10-1-57—WE
Collins Radio Company Cedar Rapids, Ia. *Electrical Workers, AFL-CIO*	2,900 WE 10-11-55	\$.078 per hr. av. (5%)	(1) 1 add'l pd. hol. (2 half days) (2) Shift differential incr. from \$.10 to \$.12 per hr. (3) Sickness and accident ins. of \$50 per wk. max. extended from 13 to 26 wks.	Result of contract expiration. Contract term—1 yr.
Robbins and Myers, Inc. Springfield, Ohio *UAW, AFL-CIO*	1,425 WE 10-1-55	\$.05 to \$.15 per hr., day workers; \$.04 per hr., piece workers	Improved pension	Result of contract expiration. Contract term—3 yrs.
Westinghouse Electric Corporation Interstate *Federation of Westinghouse Salaried Employees, ind.*	14,000 S 10-15-55	3% (min. \$1.80 per wk. for employees pd. on wkly. basis and \$7.80 per mo. for employees pd. monthly, on wkly. schedule of 40 hrs. Adj. incr. to 6%, 1956; 9%, 1957; 12.5%, 1958; 16%, 1959	(1) Cost of living escalator (2) Improved ins. (3) Improved pensions (4) 3 wks.' vacation after 15 yrs.	Result of contract expiration. Contract term—5 yrs. Employment security reopener—10-1-58
Fabricated Metal Products				
American Can Company Interstate *Machinists, AFL-CIO*	2,363 WE 12-1-55	\$.11 per hr. av., plus wage curve adj. up to \$.05 per hr.	(1) New provisions in pension plan for early retirement, joint survivorship, and deferred vested retirement pensions (2) SUB plan, 12-1-56	Result of contract expiration. Contract term—2 yrs. Wage reopening—11-30-56
Gilton Manufacturing Company New York, N. Y. *Furniture Workers, AFL-CIO*	65 WE 10-6-55	\$.075 per hr., plus \$.05 per hr. add'l, 10-6-56	None	Result of contract expiration. Contract term—2 yrs.
Morly Machinery Company Astoria, N. Y. *UE, ind.*	135 WE 10-1-55	\$.10 per hr. plus \$.05 per hr. add'l effective 10-1-56	(1) Health ins. extended to include doctor's home visits (2) Pensions incr. from \$1.50 per mo. to \$1.75, 1956	Result of contract expiration. Contract term—2 yrs.
Western Supplies Company St. Louis, Mo. *Machinists, AFL-CIO*	150 WE 12-1-55	\$.15 per hr. plus \$.10 per hr. add'l 12-1-56	*n.a.*	Result of contract expiration. Contract term—2 yrs.
Machinery (except Electrical)				
E. W. Bliss Co. Toledo, Ohio *UAW, AFL-CIO*	900 WE 170 S 10-1-55	\$.06 per hr. plus \$.06 per hr. add'l 10-1-56 and \$.06 10-1-57—WE \$10.39 per mo., plus \$10.39 per mo. add'l 10-1-56 and again 10-1-57—S	(1) Incr. pension benefits (2) Incr. ins. benefits (3) 1 add'l hol. (2 half days) (4) Cost of living formula incr. by \$.01 per hr. for each .5 change in CPI (5) Extended vacations (6) \$.01 inequities adj. (7) \$.05 per hr. for SUB plan or alternative, 9-1-56. Add'l wage incr. of \$.05 if no agreement is reached on SUB	Result of contract expiration. Contract term—3 yrs.
Crane Manufacturing Company Chicago, Ill. *Steelworkers, AFL-CIO*	6,000 WE 10-1-55	\$.115 per hr., general; plus \$.035 per hr. inequity adjs.	None	Result of wage reopening

Wage Adjustments Announced Prior to December 15, 1955—Continued

Company and Union(s)	No. and Type of Employees; Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
De Vilbiss Co. Toledo, Ohio *UAW, AFL-CIO—WE* *No union—S*	691 WE 809 S 9-19-55 WE (signed 10-20-55)	$.0832 per hr. av.—WE; 4.25%—S	(1) 1 add'l hol. (2 half days) (2) Vacation pay incr. (3) Hospital and ins. incr. (4) Pension improvement	Result of contract expiration. Contract term—3 yrs. Wage reopening 10-1-58
Gibson Refrigeration Co. Greenville, Mich. *UAW, AFL-CIO*	1,135 WE 9-5-55 (signed 11-23-55)	$.0705 per hr.	7th pd. hol. Vested rights (pension plan)	Result of contract expiration. Contract term—1 yr.
▲Massey-Harris-Ferguson Ltd. Toronto, Ont., Canada *UAW, CIO-CCL*	4,200 WE 9-16-55 (signed 11-16-55)	$.05 per hr.	(1) Noncontributory ins. and welfare plan (2) SUB, 9-1-56 (3) 2½ wks.' vacation to employees with from 10 to 15 yrs.' service (4) Pd. up life ins. for pensioners incr. from $250 to $750 (5) Shift premium pay extended	Result of contract expiration. Contract term—1 yr.
Mergenthaler Linotype Company Brooklyn, N. Y. *UAW, AFL-CIO*	1,700 WE 10-2-55	$.11 per hr., plus 3% ($.05 per hr. min.), 11-15-56; plus 3% ($.06 per hr. min.), 11-15-57	(1) Cost of living formula incr. $.01 per hr. for ea. .5 rise in CPI (2) Company contribution of $.10 per hr. to pension plan for 4½ yrs. Liberalized provisions for normal retirement, disability retirement, early and deferred retirements	Result of wage reopening. Contract expires 10-1-58
Precision Grinding Wheel Company, Inc. Philadelphia, Pa. *District 50, UMWA, ind.*	260 WE 10-1-55	$.10 per hr. av.	None	Result of contract expiration. Contract term—1 yr.
Singer Manufacturing Company Elizabethport, N. J. *IUE, AFL-CIO*	4,700 WE 11-2-55	$.0675 per hr. av.	Company contribution of 50% of Blue Cross coverage	Result of contract expiration. Contract term—1 yr.
Vilter Manufacturing Company Milwaukee, Wis. *Steelworkers, AFL-CIO*	200 WE 100 S 9-1-55 (signed 10-55)	$.09 per hr.—WE $17 per mo.—S	(1) Accident and health ins. benefits incr. from $15 per wk. to $25 per wk. for 13 wks. (2) 1 add'l pd. hol. (2 half days)	Result of contract expiration. Contract term—1 yr.
Paper and Allied Products				
Moraine Paper Company West Carrollton, Ohio *Paperworkers, AFL-CIO*	175 WE 10-1-55	$.07 per hr.	(1) 3 days' funeral leave (2) 50% of Blue Cross plan company-pd. (3) 3 days' vacation with pay after 6 mos.' service	Result of contract expiration. Contract term—1 yr.
Moser Bag Co. Cleveland, Ohio *Paperworkers, AFL-CIO*	25 WE 9-9-55 (signed 11-1-55)	$.05 per hr. across the board, plus $.02 per hr. (av.) job adj.	None	Result of contract expiration. Contract term—1 yr. Wage reopening 3 mos. prior to 9-9-56
Rubber Products				
Dunlop Tire & Rubber Corp. Buffalo, N. Y. *Rubber Workers, AFL-CIO—WE* *No union—S*	1,300 WE 350 S 10-17-55 (wages) 9-19-55 (pension and welfare)	$.12 per hr. across the board; add'l $.06 per hr. to skilled trades—WE Equivalent percentage incr.—S	(1) Noncontributory pension plan with benefits up to $172 per mo. (2) Noncontributory hospital, surgical, life ins. and sickness and accident (3) 7th pd. hol. (4) Extended vacation for employees with 10 or more yrs.' service	Result of wage reopening. Contract expires 9-1-57

Wage Adjustments Announced Prior to December 15, 1955—Continued

Company and Union(s)	No. and Type of Employees; Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Midwest Rubber Reclaiming Co. East St. Louis, Ill., Paramount, Calif.; Barbeton, Ohio *Rubber Workers, AFL-CIO*	460 WE 10-10-55 (wages) 11-1-55 (gen'l agreement)	$.12 per hr. gen'l, $.06 per hr. add'l to mechanics	(1) 7th pd. hol. (2) 2½ wks.' vacation to employees with from 11 to 14 yrs.' service	Result of wage reopening. Contract expires 10-10-57
Stone, Clay and Glass Products				
Corning Glass Works Corning and Horseheads, N. Y.; Wellsboro, Pa. *Glass Workers, AFL-CIO—WE* *No union—S*	6,396 WE 1,112 S 10-24-55	$.125 per hr.—WE $4.75 and $5 per wk.—S	(1) Incr. sickness and accident benefits (2) 4 hrs.' call-in pay instead of 3 hrs. (3) Time off for death in family for employees with 30 days' service or more instead of 6 mos.	First contract. Contract term—1 yr.
Scientific Glass & Gyro Manufacturing Co. Bloomfield, N. J. *UE, ind.—WE* *No union—S*	96 WE 75 S 11-1-55	$.10 per hr.—WE $4 per wk.—S	(1) 1 add'l pd. hol. (2) 3 days' funeral leave (3) Improved vacation plan	Result of contract expiration. Contract term—1 yr.
Transportation				
Allied Hangar and Fleet Service (Allied Maintenance Corp.) New York, N. Y. *Transport Workers, AFL-CIO*	180 WE 10-1-55	$.11 per hr.	(1) 10 wks.' severance pay for employees with 10 or more yrs.' service (2) Occupational injury benefits amounting to ⅔ of employee's normal wage up to $60 per wk. for 13 wks. (incl. workmen's compensation)	Result of contract expiration. Contract term—2 yrs.
Pan American World Airways New York, N. Y. *Transport Workers, AFL-CIO (WE & S)*	4,689 WE 873 S 9-1-55 (signed 11-7-55)	$.11 per hr.—WE $12 per mo. av.—S	(1) Employees reimbursed for excess medical costs involved in nonoccupational illness or injury while on foreign assignments (2) Severance pay schedule incr. 1 wk. for employees with 10 or more yrs.' service.	Result of wage reopening. Contract expires 10-1-57
St. Louis Public Service Co. St. Louis, Mo. *Motor Coach Employees, AFL-CIO*	2,400 WE retroactive to 8-1-55 (signed 11-23-55)	$.05 per hr., add'l $.05 per hr. 11-25-55, add'l $.05 8-1-56	(1) 4 wks.' vacation after 30 yrs.' service (2) 6th pd. hol.	Result of contract expiration. Contract term—2 yrs.
Seattle Transit System Seattle, Wash. *Motor Coach Employees, AFL-CIO*	1,456 WE & S 11-1-55	Up to $.14 per hr.—WE 7% to 8%—S	Incr. hospital and medical benefits	Result of contract expiration. Contract term—1 yr.
Transportation Equipment				
Bendix Aviation Corporation Detroit, Mich. *UAW, AFL-CIO—WE* *No union—S*	16,000 WE 8,500 S 9-1-55 (wages & pensions) 12-1-55 (insurance)	2½% or $.06 per hr., plus $.08 per hr. to skilled trades. Annual improvement factor. Inequity adjustments —WE 2½% for employees with base of less than $650 per mo.—S	(1) Improved pension and insurance plans similar to Ford plan (2) Supplemental unemployment benefit plan similar to Ford—WE only (3) Extended vacation for employees with from 10 to 15 yrs.' service (4) Add'l pd. hol.	Result of contract expiration. Contract term—3 yrs.
Bijur Lubricating Corp. Bennington, Vt. *UE, ind.*	102 WE 11-1-55	$.09 per hr.	(1) Incr. ins. from $1,500 to $2,000 (2) Daily hospital benefits incr. from $10 to $13 (3) Funeral leave pay	Result of contract expiration. Contract term—1 yr.

Company and Union(s)	No. and Type of Employees; Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Ex-Cell-O Corp. Detroit and Traverse City, Mich.; Lima and Fostoria, Ohio *UAW, AFL-CIO*	5,000 WE 11-55	$.227 per hr. (package)	(1) 1 add'l pd. hol. (2 half days) (2) Company pd. life, sickness and accident benefits, accidental death and dismemberment ins. (3) SUB plan (4) Improved pension plan (5) 2½% or $.06 annual improvement factor (6) $.08 skilled trade incr.	Result of contract expiration. Contract term—3 yrs.
General Motors Corporation Cadillac Div. New York, N. Y. *Teamsters, AFL-CIO*	84 S 11-1-55	Guaranteed min. $100 per wk. commission	(1) All layoffs on seniority basis (2) Expansion in sales force to be "justified"	Initial contract. Contract term—3 yrs.
Miscellaneous Manufacturing Industries				
Armstrong Cork Company Lancaster, Pa. *Rubber Workers, AFL-CIO*	3,000 WE 10-31-55	$.09 per hr.	(1) Liberalized death - in - family provision (2) Liberalized pension, ins. and hosp. programs for 5-yr. term	Result of contract expiration. Contract term—2 yrs. Wage reopening 9-1-56
▲Canadian Breweries, Ltd. Windsor, Hamilton, Waterloo, Toronto, and Ottawa, Ont.; Canada *United Brewery Workers, CIO-CCL*	1,850 WE 4-1-55 (signed 10-1-55)	$.05 per hr., add'l $.05 per hr. 4-1-56, add'l $.10 per hr. 4-1-57	Noncontributory welfare plan	Result of contract expiration. Contract term—3 yrs.
Columbian Rope Company Auburn, N. Y. *Textile Workers, AFL-CIO*	700 WE 95 S 11-21-55	$.05 per hr., add'l $.03 per hr. for skilled trades—WE $3.50 per wk.—S	(1) 3 wks.' vacation after 15 yrs.' service (2) Blue Shield (3) Sat. hols. to be celebrated on Fri.—WE only (4) Wash-up time on dirty jobs	Result of contract expiration. Contract term—2 yrs.
Miscellaneous Nonmanufacturing Industries				
Building Maintenance Employers Assn. New York, N. Y. *Building Service Employees, AFL-CIO*	1,400 WE 10-19-55	$.08 per hr.	None	Result of wage reopening. Contract expires 10-18-56
Dayton Power & Light Company Dayton, Ohio *Utility Workers, AFL-CIO*	1,776 WE 10-27-55	$.104 per hr. av.	(1) 2½ times pay for hols. worked (2) Incr. hospital benefits (3) 7th pd. hol. (4) 4 wks.' vacation for employees with 30 yrs.' service	Result of contract expiration. Contract term—1 yr.
Hotel Association of St. Louis St. Louis, Mo. *Hotel and Restaurant Employees, AFL-CIO*	3,000 WE 11-1-55	(1) $1 per wk. for misc. tip employees, add'l $1 per wk. 7-16-56, and 7-16-57 (2) 4% of present rate for extra employees, add'l 4% of present rate 7-16-56, and 7-16-57 (3) $.03 per hr. for laundry employees, $.03 per hr. add'l 7-16-56, and 7-16-57	(1) Gradual reduction of workweek from 48 hrs. in some jobs and from 45 hrs. in others to 40 hrs. over a 2-yr. period (2) 1½ times pay for hrs. worked in excess of 8 hrs. per day (3) 4 hrs.' min. call-in pay (4) Jury duty pay	Result of contract expiration. Contract expires 7-15-58
Building Service Employees, AFL-CIO	100 WE 10-1-55 (retroactive to 7-16-55)	$.04 per hr., $.04 per hr. add'l 7-16-56, and 7-16-57	Noncontributory hospitalization for employees (excludes dependents)	Result of contract expiration. Contract term—3 yrs.

Wage Adjustments Announced Prior to December 15, 1955—Continued

Company and Union(s)	No. and Type of Employees; Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Firemen and Oilers, AFL-CIO	100 WE 11-1-55 (retroactive to 7-16-55)	$.173 per hr. av., plus $.068 per hr. av. 7-16-56, and add'l $.0775 per hr., av. 7-16-57—class A hotels; $.165 per hr., av., plus $.066 per hr. av. 7-16-56, and add'l $.074 per hr. av. 7-16-57—class B & C hotels	Reduction of workweek from 45 to 40 hrs.	Same as above
National Electrical Contractors Assn. Los Angeles, Cal. *Electrical Workers, AFL-CIO*	5,000 WE 11-1-55	$.20 per hr., $.15 per hr. add'l 7-1-56—journeymen. Equitable incr. to foremen, gen'l foremen, and cable splicers	Shift premium incr.	Result of contract expiration. Contract expires 7-1-57
Realty Advisory Board on Labor Relations, Inc. New York, N. Y. *Building Service Employees, AFL-CIO*	10,000 WE 10-21-55	$2 per wk., add'l $2 per wk. 1-21-57 on 44-hr. wk.; $3 per wk. add'l to working supts., 4-20-57	(1) 1 add'l pd. hol. (2) Incr. in group life ins. benefits from $750 to $1,000 on 1-1-56	Result of wage reopening. Contract expires 4-20-58
Stroh Delivery Company St. Louis, Mo. *Teamsters, AFL-CIO*	80 WE 8-22-55 (signed 10-1-55)	$3 per wk., plus $3.20 per wk. eff. 1957	(1) Incr. health and welfare benefits (2) Incr. pensions	Result of contract expiration. Contract term—3 yrs.

* WE, wage earner; S, salaried personnel; *n.a.*, not available.
** Fringe benefits include all benefits received by workers at a cost to employers.
▲ Denotes Canadian settlements.

(Text continued from page 32)

An agreement on job security and minimum commissions was negotiated between the Cadillac Division of General Motors and eighty-five Cadillac salesmen in New York City, represented by the Teamsters' union. The settlement, an initial contract, guarantees a $100 minimum commission to salesmen and in the event of layoffs, provides for the reduction of the sales force on the basis of seniority.

Industry Patterns; the Wage Picture

In granting wage increases ranging from $2.50 to $5 per week, the Chesapeake and Potomac Telephone Company and the Southwestern Bell Telephone Company concluded agreements which are representative of those affecting Bell System companies and the Communications Workers throughout the country. The two rubber settlements—the Dunlop Tire and Rubber Company and the Midwest Rubber Reclaiming Company—grant increases to Rubber Workers of 12 cents per hour, plus additional increases to skilled trades. These increases are in line with the ones reported last month by Firestone Tire and Rubber Company and others in the industry. In air transportation, Pan American World Airways and Allied Hangar and Fleet Service both granted an increase of 11 cents per hour to the Transport Workers.

Industry-wise, the highest increases in this month's settlements occur in the rubber; stone, clay and glass; and transportation industries. Each of them averages around 12 cents per hour. These are followed by fabricated metals, which has an average increase of 10.9 cents per hour.

The lowest increase is $1 per week (2.5 cents per hour) and was granted by the Hotel Association of St. Louis to members of the Hotel and Restaurant Employees' Union. In addition, the settlement grants deferred increases totaling 5 cents per hour and a gradual reduction of the workweek from forty-eight to forty hours over a two-year period.

In manufacturing the lowest wage increase, 5 cents per hour, was granted in four settlements. Among these are: the Moser Bag Company settlement with the United Paperworkers in Cleveland, Ohio, and the settlement between Canadian Breweries Limited and the United Brewery Workers in Toronto, Ontario. Thirty-seven of the settlements tabulated grant increases of 7 cents per hour or more.

While information as to union status is omitted in a third of the settlements covering salaried employees, the remaining settlements are equally divided between union and nonunion. A total of 200,000 wage and salaried employees are represented in the reports which are tabulated in detail starting on page 33.

Mitchell Meyer
N. Beatrice Worthy
Statistical Division

Studies in Personnel Policy

No. 151—Tuition Aid Plans for Employees
No. 150—Handbook of Union Government, Structure and Procedures
No. 149—Pension Plans and Their Administration
No. 148—Retirement of Employees—Policies, Procedures and Practices
No. 147—Company Health Programs for Executives
No. 146—Company-Paid Sick Leave and Supplements to Workmen's Compensation
No. 145—Personnel Practices in Factory and Office
No. 144—Recruiting and Selecting Employees
No. 143—Fringe Benefit Packages
No. 142—Executive Development Courses in Universities
No. 141—Severance Pay Plans
No. 140—Management Development
No. 139—Company Organization Charts
No. 138—Bulletin Boards
No. 137—Escalators and the New BLS Index
No. 136—Employee Magazines and Newspapers
No. 135—Suggestion Systems
No. 134—Cooperative Medical Programs
No. 133—Employee Savings and Investment Plans
No. 132—Stock Ownership Plans for Workers
No. 131—Employee Induction
No. 130—Time Off with Pay
No. 129—Communicating with Employees
No. 128—Computing the Cost of Fringe Benefits
No. 127—Union Security and Checkoff Provisions
No. 126—Controls of Absenteeism
No. 125—Information Racks—A New Communications Medium
No. 124—Developments in Supervisory Training
No. 123—Letters to Nonsupervisory Employees
No. 122—Evaluating Managerial Positions

In the January Business Record

Executive Outlook—Results of the Board's annual survey of business expectations indicate prosperity across-the-board for 1956. "In all twenty industry groups covered, the majority of the companies expect to equal or exceed their 1955 performance on new orders, billings, production and profits before taxes." A summary of prospects at the 124 firms precedes the industry-by-industry breakdown of expectations.

Strengths and Weaknesses in 1956—By any standard, 1955 was an excellent business year. But just how unusual were its dimensions, and which were the strong sectors? "New Year with a Difference" analyzes the vital economic statistics of the past year to find out. Based on the resulting profile of 1955, the article then considers the outlook for 1956.

Canada's Mighty Strides—The biggest percentage gain in goods and services in Canadian history was the record set in 1955. And that country enters the new year with indications of achieving even greater economic growth. The year-end review of Canada appearing in this issue details some of what made 1955 great.

The Critical Car Market—The auto market hit an all-time peak in 1955, with over 7 million new cars purchased. Was this record year also a unique year, with sales that cannot be sustained? Or did the year establish a new norm, consistent with the continuing growth of population, real incomes and standards of living? "How Big Is the Auto Market?" analyzes the facts to find the answers.

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